





## OVERSEAS NEWS

## Israeli weapons for Lebanon's Christian forces

BY HAN HIAZI

BEIRUT, July 14.

ISRAEL is understood to have provided Lebanese Christian militias with large quantities of arms and sent military advisers to help them use the equipment. The weapons, including some Sherman tanks, were ferried to Jounieh, the Christian-dominated port north of here, and Dbyeh, a small dock not far from Jounieh.

The exact number of Israeli advisers sent to help the Maronite groups was not disclosed, but it is believed to be several hundred. Some estimates put the number as high as 1,000. A sea-borne shuttle has been in action for the past two weeks between Jounieh and Haifa. It started at the outbreak of fighting between the Syrian troops of the Arab peace-keeping force and the Christian militias in and around east Beirut.

While an uneasy calm continues to prevail—albeit with sniping in certain confrontation areas—the combatants are mobilising for further action. Observers noted that the Syrians have brought in reinforcements and additional weapons.

According to Western military sources most of the fighting is done by the militias, with Syrian

forces exercising maximum restraint. Several Syrian soldiers have been killed and wounded by snipers since the ceasefire took effect a week ago.

It is believed that if the provocations continue the Syrians might go into the Christian areas with tanks to try finally to crush the militias.

The anticipation of such eventualities, the right-wing Christian forces have been seeking anti-tank weapons and received some of them from Israel.

Military aides of President Elias Sarkis have been working on arrangements to lessen the danger of friction in tense areas but so far have only succeeded in stationing Lebanese policemen in the Syrian areas and the Christian gunmen.

President Sarkis was reported to be preparing an address to the Lebanese people to announce his intentions and whether he will stay on or resign. Reports that he would today said that the President may decide to remain in office for a trial period of three or four months.

If his efforts during the period to solve the crisis prove a success, he will continue in his post. Otherwise, he will resign.

## Palestinian factions clash over kidnap

SIDON, Lebanon, July 14.

AL FATAH commandos clashed in fierce fighting with radical Palestinians in southern Lebanon today. First reports said at least 12 people had been killed or wounded. The fighting flared last night because of disagreement over the temporary kidnapping of 40 men of the UN Interim Force in Lebanon (UNIFIL) by hard-line commandos last Wednesday.

As the Palestinians battled each other with automatic weapons and rocket-propelled grenades near the southern ports of Sidon and Tyre, panic-stricken civilians fled Tyre for safer areas, eyewitnesses reported.

Fatah threw up 14 roadblocks on a six-mile stretch of the main coastal road leading from Tyre to Beirut, and encircled pockets of radicals entrenched in the refugee camps of Al Buss and Ain Helch in Tyre and Sidon respectively. On Wednesday, guerrillas of the hard-line "Rejection Front" seized 40 UNIFIL troops and held them captive for five hours.

No breakdown of the casualty figure was available but several

commandos had been killed in the fighting, according to Palestinian sources.

The eyewitnesses said it involved commandos of all groups of the "Rejection Front" with the exception of its leading organisation, the Popular Front for the Liberation of Palestine (PFLP).

A French UN officer in Sidon said that UNIFIL had been placed on alert but there was no indication that its men had been involved in any action.

Last night, the Palestinian news agency Wafa blamed pro-Israeli commandos of the Palestinian Liberation Front (PLF) for the temporary detention of the UN troops and said the PLF had acted on orders from "outside"—a clear reference to Iraq.

The latest bloodshed in war-torn southern Lebanon contrasted with a gradual return to a semblance of normalcy in Beirut, shaken by five days of bloody fighting last week between right-wing militiamen and Syrian troops.

Reuter

## Sadat-Weizman talks generate new optimism

BY DAVID LENNON

TEL AVIV, July 14.

ISRAEL was optimistic today that the stalemate in the peace negotiations with Egypt have been broken following the talks in Austria yesterday between President Anwar Sadat of Egypt and Mr. Ezer Weizman, the Israeli Minister of Defence.

The feeling in Jerusalem is that now that the direct contacts have been resumed, the meeting of the Israeli and Egyptian Foreign Ministers in London next week will be able to concentrate on practical issues, rather than on ways to continue the negotiations.

Mr. Weizman arrived back in Israel early this afternoon and went directly to Jerusalem to report to Mr. Menachem Begin, the Prime Minister. Neither man was prepared to make any commitment after their 90-minute meeting.

The Defence Minister said that he wanted to report to the cabinet on Sunday before making any public statements about his talks with President Sadat.

A number of ministers had disapproved of Mr. Weizman's trip, arguing that the Government was attempting to bypass the leader in pick and choose which of the Israeli leaders he wished to meet.

Mr. Sadat is deriving public relations benefit from the meetings without making any concessions, some ministers argued.

However, it appeared today that even the sceptics were more hopeful for real progress in the Middle East talks following the

Salzburg meeting. Fears that the London conference would end in a stalemate have lessened considerably.

It is expected that there will be a series of consultations between the senior ministers over the weekend prior to Sunday's Cabinet meeting. After the Cabinet hears a full report by Mr. Weizman on the talks it will issue guidelines for Mr. Moshe Dayan, the Foreign Minister, for next week's talks with Mr. Mohammed Ibrahim Kamel, his Egyptian opposite number.

Earlier suspicions that the U.S.-initiated London talks were basically destined to pressure Israel has eased. It is thought that the Cabinet may re-evaluate its attitude towards the Foreign Ministers' meeting and issue Mr. Dayan with less rigid guidelines than those on at the last Cabinet meeting.

Our Foreign Staff writes: Mr. Shimon Peres, leader of the Israeli Labour Party Opposition, said in London yesterday that the resumption of direct negotiations was in itself a "welcome indicator for the future" and a "positive step".

Asked whether his own talks with Mr. Sadat last week might modify the position of Israel—which has rejected in advance Egypt's "peace plan"—he replied: "The Government's position is still flexible enough and does not need my encouragement."

## Trade plan worries developing countries

By Reginald Dale

GENEVA, July 14.

THE DEVELOPING countries today reacted with predictable concern to the international trade reform package agreed yesterday by the leading western industrialised nations. Mr. Peter Tomic, the Yugoslav spokesman for the third world at the Tokyo round of multilateral trade talks here, complained that developing countries had not been consulted on the agreement and said that progress in the talks could only be properly assessed by all the countries involved.

He made clear, however, that the developing countries were not going to take radical action or walk out of the talks in protest. The developing countries were still optimistic that their interests would be taken into account and would continue to take a constructive approach in further negotiations over the coming months, he told a news conference here.

Mr. Tomic said the agreement in principle reached by the U.S., the EEC, Canada and Japan—the participants at this weekend's Bonn summit—did not adequately reflect the interests of developing countries. The agreement was intended by the major western powers to lay the basis for a conclusion of the five-year long negotiations by the end of this year.

The statement issued by the western powers had omitted issues of major concern to developing countries, such as tropical products, the principle that safeguard actions should not discriminate against developing countries, the right of developing countries to use subsidies for their industrial development, improvement in GATT rules on government assistance to economic development and the elimination of quantitative restrictions on developing countries' exports, he said.

Dr. Tomic said the five Western Powers and the SWAPO nationalist leadership had reached agreement on a peaceful transition to independence in Namibia represented a significant triumph for the American ambassador to the United Nations and for his own personal style of diplomacy.

But that achievement has been

completely overshadowed for the moment by his remarks that there are "hundreds, perhaps thousands" of political prisoners inside the United States.

Regardless of the truth or otherwise of his comments, or whether they were taken out of context, in one fell swoop he has embarrassed his friends and President Jimmy Carter, at a time when the U.S. was conveying moral outrage at the dissident trials in the Soviet Union and provided Moscow with the sort of propaganda fodder that the Kremlin, in its wildest dreams, could never have expected to receive.

It prompted demands for his impeachment in the Congress, a dressing down from Cyrus Vance, the Secretary of State, in Geneva, the possibility of further discipline and the President himself, and a general reaction in the U.S. that was neatly summed up by an editorial in the Baltimore Sun which observed that Mr. Young had become a media freak, an embarrassment to the Administration he is supposed to serve and an easy target for every racist sitting in Congress or on a stool at the neighbourhood bar.

It also prompts another basic question: why did he do it? Mr. Young, who worked so hard at verbal asides have been of more than passing consequence. Many of them have been blown out

## The trans-Sahara highway: green light in the desert



ANDREW YOUNG

## An embarrassment of talent

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

EVEN IF he had never opened his mouth to a reporter from the French newspaper Le Matin, Andrew Young would, in any case, have figured prominently in the news this week.

Wednesday's announcement in Luanda that the five Western Powers and the SWAPO nationalist leadership had reached agreement on a peaceful transition to independence in Namibia represented a significant triumph for the American ambassador to the United Nations and for his own personal style of diplomacy.

But that achievement has been



ANDREW YOUNG

## S. Africa cautious on Namibia

BY JOHN STEWART

CAPE TOWN, July 14.

THE LUANDA agreement to take Western settlement proposals on Namibia to the UN Security Council for formal endorsement has met with a cautious response from those members of the South African Cabinet most intimately involved in the settlement plan.

The Defence Minister, Mr. P. W. Botha, said that a reduction of South African security forces in Namibia would take place only when there was visible peace and an end to violence. He made it clear that South Africa would not entertain departures from the security arrangements defined in the Western settlement proposals accepted by South Africa at the end of April.

The Foreign Minister, Mr. R. F. Botha, permitted himself a more hopeful response, noting that the Luanda agreement could herald a new era in southern Africa. He cautioned, however, that everyone involved would have to execute the proposals with sincerity.

He said the South African Government assumed that no qualifications of any nature—direct or by implication—would be added to the written proposals.

"The security of the territory in no way becomes involved. No reduction in the number of troops is foreseen unless and until a situation of complete peace has come about and is maintained," he said.

During the interim period, South Africa remains responsible through the Administrator-General for the administration of the territory, the maintenance of peace, order and security, and the South African police continue with their normal duties.

Political leaders in South Africa and Namibia have wel-

comed the agreement announced on Wednesday—but to their hopes for peace, they added caution about the still-unknown details of the deal struck between the Western powers and SWAPO.

In Windhoek, leaders of the Democratic Turnhalle Alliance (DTA) and the National Party Election Alliance (NATU) expressed no surprise.

DTA chairman, Mr. Dirk Mudge, and the Akrur leader, Mr. H. D. Plessis, said they had expected immense pressure to be exerted on SWAPO in Luanda.

Mr. Du Plessis said it was not yet clear whether new conditions were attached to SWAPO's acceptance. "What will surprise me, indeed, is if SWAPO did in fact accept the proposals without any preconditions, and in the form South Africa has accepted them," he said.

He said the Leader of the Opposition, the Progressive

Federal Party leader, Mr. Colin Eglin, voiced similar reservations.

"Provided no new terms have been introduced, it paves the way for the most important goal of all—internationally recognised independence for South West Africa and peace for southern Africa," he said.

In a surprise move, the South African-appointed administrator, general, Mr. Justice M. T. Steyn, today served an expulsion order on the vicar-general of the Anglican church in Namibia, Mr. Ed Morrow, his wife, Lauree, and Roman Catholic priest, Father Hazel Hunkle. They have been given seven days to leave.

Mr. Morrow is the third Anglican cleric to be expelled from the territory in six years. Earlier this week, the diocese of Damaraland called for the immediate withdrawal of South African authorities from Namibia.

There is speculation that the Commission of Inquiry which is studying South Africa's monetary and exchange rate policies under the Chairmanship of Mr. Horwood's special economic adviser, Dr. Gerhard de Kock, may propose greater freedom for overseas companies and non-resident individuals to move capital in and out of South Africa. The restrictions on overseas companies ability to borrow on domestic markets may also be eased.

The Commission is expected to recommend that South African foreign exchange dealings and rates become more market-related than is now the case.

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overland an increasing flow of goods to Nigeria. The Nigerian ports meant delivery delays. With a cost less than air freight and a degree of reliability, Saharan transport has taken on added importance for the Republic.

The service proved so popular that a special trailer designed to reduce transport delays, was inaugurated with weekly runs. Now when trailers come ashore in Alger ports, they are immediately hitched to specially designed lorries for the trying Saharan journey.

Depending on the climatic conditions, the 3,500 kilometres between Algiers and Lagos will be covered in between eight and 11 days. In the 1980s, when the road is completed, travel time should be reduced to five days and shipping costs further trimmed. A pool of about 100 drivers, skilled in the difficult long-haul desert transport, will be available for service. However, only about 30 lorries are up on the Sahara run at one time.

Another positive aspect of the construction of the trans-Saharan highway has been sharply cut costs. It is estimated that the cost per kilometre in Algeria will be between FF 250,000 and FF 300,000. By contrast in Niger, the use of private construction firms will result in at least a doubling of this price.

During the last decade only a limited commercial traffic—and a sporadic flow of tourists—have braved the trans-Saharan route. When the state-owned Algeria National Road Transport Company (CNTR) recently initiated a regular service, British, French and Italian firms began sending

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## Emminger welcomes currency proposals

By Jonathan Carr

BONN, July 14

DR. OTMAR EMMINGER, president of the Bundesbank, welcomed the aim of establishing a wider zone of currency stability in Europe—but stressed the need to get the rules for a new system right and then stick to them.

In an interview with the W. German economic news agency WVD, Dr. Emminger made it clear that several important aspects of the new system remain to be settled. They include the amount of national reserves to be put into a common European pool, the degree to which public authorities would be allowed to fluctuate and the yardstick against which fluctuations would be measured.

Dr. Emminger's detailed comments are the first he has made in public on the proposed new system since European Council leaders agreed on guidelines for it in Bremen last week. Since then, there has been widespread criticism here that the plan involves a risk of more inflation—in West Germany above all.

Asked whether he felt this was a risk, Dr. Emminger replied: "One must not lose sight of the fact that a system which is not correctly applied, for example if a country artificially tries to maintain an exchange rate which has become unrealistic by domestic inflation."

Therefore, it is important that all participating States are fully in agreement on the rules from the start and that the source of credit are not too generous, apportioned—otherwise the threat to stability is too great."

Mr. Emminger said it had yet to be decided whether the basis of the new system would be even narrower fluctuations margins than those permitted in the "snake" (plus or minus 2.25 per cent) or whether the fluctuations should be measured against the new European unit of account.

## UK-Spanish talks planned on Gibraltar

A first meeting of the Joint Anglo-Spanish working groups on Gibraltar will take place on the Foreign and Commonwealth Office in London on Monday, writes our Gibraltar correspondent. The groups are the outcome of talks in Paris last week between the Foreign Secretary, Dr. David Owen and the Spanish Foreign Minister, Sr. Marcelino Oreja.

Chief Minister and the Leader of the Opposition.

A Government statement in Gibraltar said that, as always, the British Government will be subjects to be discussed were maritime communications, telecommunications, and social security pensions and former Spanish workers employed in Gibraltar before the frontier closure in 1969.

Police face discipline

Stern disciplinary measures are expected to be taken against over 100 policemen, including a lieutenant and two sergeants, who on Thursday ransacked the Basque town of Renteria, writes Jimmy Burns from Madrid.

The policemen have been confined to barracks pending a full investigation into the attack, which led to the looting of shops and an unprovoked tear gas assault on private houses.

Aero engines

The British Government appears to have decided to do what it can to facilitate the despatch of the four Rolls-Royce aero engines belonging to the Chilean Air Force, writes Hugh O'Shaughnessy. The engines were overhauled at the company's East Kilbride works in 1975 but their despatch has been blocked by the opposition of union members to the Chilean military junta.

Threat to Eritreans

The Ethiopian Embassy in Nairobi said yesterday that Ethiopia had no alternative but to crush the rebellion in Eritrea, because the secessionists had rejected all offers of a peaceful settlement, writes our Nairobi correspondent. The Embassy statement follows a rebel report of a full-scale Eritrean offensive, using troops, aircraft and ships.

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## Strike leaves tourists to wander hungry about Rome

BY DOMINICK J. COYLE

ROME, July 14.

A FIFTY-FOUR PER CENT jump in Italian tourist receipts last year was largely responsible for the country's relatively massive overall payments surplus (approx. \$US\$3bn) in 1977, but tourists would never suspect this here today as thousands of tourists scoured the city for some place in which to eat.

For 24 hours at least, and for the second Friday running, Rome's main hotels and restaurants are closed, shut down by a nationwide strike of tourist industry employees pressing for some concrete negotiations on their new labour contract. A similar prospect is in view for next Friday.

Everybody is very sad about the whole situation. Hotel

managers, many of whom were this morning pressed into the unaccustomed task of making up guests' bedrooms, shrugged their shoulders in that only too Italian way, seemingly intent on explaining that employees and their trade unions can not recognise golden geese that lay golden eggs, but hastening to add that all would be back to normal tomorrow.

And so, of course, it will be, although front-office cashiers will then face the problem of dealing with understandably irate guests seeking some reduction from their weekly tariffs. Drinks on the house, in retrospect



## HOME NEWS

Burmah  
oil claim  
earing  
ext week

MARGARET REID

AN OIL'S application for an order compelling the company to disclose 82 cents it considers important 1500m action against the will now be heard next week, a day later than expected.

case is expected to be Mr. Justice Slade in the first Division of the High Court.

Treasury has claimed "privilege" for the Bank, a body, to withhold the contents on the ground that production would be against public interest.

owing Burmah's financial at the end of 1974, the Bank had in with support and ultimately Burmah's 20 per shareholding in British Petroleum.

shares are now worth £500m more than the market price at which it purchased them in early Burmah is suing for the of the shares at the price the Bank took them plus dividends. A week's case about the cents, which Burmah feels is important to its action, is expected to begin in open court when the judge will hear arguments on the legal aspects of the case.

expected that he will then go on to consider the documents in private.

Building society net  
receipts fall sharply

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE SQUEEZE on building society funds was confirmed yesterday with figures showing that the level of net receipts in June fell to the lowest point for 18 months.

The Building Societies Association said that net receipts last month dropped to only £147m, against £212m in May, in June 1977, they totalled £304m and at one stage towards the end of last year nearly touched £600m. The societies are not expecting this month to be any better. Some early estimates suggesting that net receipts could fall to below £100m, in spite of the July increase in building society interest rates. Withdrawals to

finance holiday expenditure and competition from National Savings are behind the gloomy forecasts.

But in spite of the comparatively low intake of new funds from the public and recent restrictions on lending imposed by the Government, the societies have managed to maintain a historically high mortgage advance programme. Yesterday's figures from the association showed how the societies' liquid funds were, as a result, being eroded.

At the end of June, the societies' ratio of liquid funds to assets stood at just under 19 per cent, representing a cash reduction of £800m since the end of February.

Now that the restrictions on mortgage lending are being lifted and the societies have shown their intention of returning to a higher level of advances, liquidity levels can be expected to drop further to help finance advances. This process cannot be pursued for too long, however, and lending may eventually have to be slimmed down beneath the targets which societies would ideally like to meet. Further increases in their interest rates are ruled out in what could be a pre-election period.

## Hint of support for coal

BY JOHN LLOYD

MR. ANTHONY WEDGWOOD in its power stations. The NCB faces difficulty in selling its coal in the immediate future. Mr. Benn, speaking to Durham mining mechanics yesterday, said there was no point in discovering new reserves of coal and investing in its exploitation if it could not be used.

In the short term we must make the greatest possible use of our indigenous energy resources. This is why I have begun an urgent examination of the potential for burning policy, which the National Union of Mineworkers has long advocated.

ports of oil and imports of coal. And that makes sense for all of us and we are determined to press ahead."

Mr. Benn said he hoped the mining industry, and British energy policy generally, would be discussed in the campaign for the forthcoming general election.

"Britain is now becoming entirely self-sufficient in energy and achieving an integrated energy policy, a national fuel policy, which the National Union of Mineworkers has long advocated."

European  
digger  
line for  
Scotland

By Our Glasgow Correspondent

GENERAL MOTORS is transferring production of part of its Terex range of heavy earth-moving equipment from Luxembourg to its Newhouse factory in Scotland.

The move will concentrate European Terex production in Scotland. It might mean 300 more jobs at Newhouse, Strathclyde, which employs more than 1,100.

The company said yesterday it wanted to rationalise production of diggers and loaders in one plant instead of splitting output between two countries.

The decision was welcomed by Mr. Gregor Mackenzie, Minister of State for Scotland, who said he was sure it reflected the company's satisfaction with its Scottish plant's productivity and quality of output.

The Luxembourg factory will not close but will concentrate on other sectors of the company's heavy industrial plant range.

Beef price rise  
fails to  
deter shoppers

By Our Commodities Staff

CONSUMPTION OF beef rose almost 6 per cent in the first three months of this year. Shoppers were apparently undeterred by a 14 per cent increase in prices for best cuts.

The meat industry's information service reported yesterday that while beef eating went up, consumption of pork dropped 7 per cent and buyers spent 9 per cent more on the smaller quantities.

Spending on lamb also rose 10 per cent, but consumption was only 1 per cent higher than in the comparable part of last year. Figures published weekly by the Meat and Livestock Commission show that average retail prices of beef steaks have now risen 20 per cent since the start of the year. Cheaper beef, such as mince, is only 10 per cent dearer.

The average price of rump steak, for example, was £1.61 a pound at the start of the year. It is now £1.85.

Peak fluorspar  
mining plan  
turned down

BY PAUL CHEESERIGHT

THE PEAK Park joint planning board yesterday refused to grant permission to Dresser Minerals International for the mining of fluorspar at Conksbury Lane, Youghreave, Derbyshire.

The refusal again throws into relief the problems of reconciling a national industrial policy, based on developing indigenous resources to the fullest extent and the demands of maintaining national parks as recreational reserves.

Mindful that Mr. Peter Shore, Environment Secretary, recently overruled its objections to Imperial Chemical Industries quarrying limestone near Buxton, also in the Peak Park, the board has decided to seek an appointment with him in order to gain clarification of the Government's stand.

The immediate effect of the refusal is that Dresser, subsidiary of a Texas group, will appeal to Mr. Shore, thus opening the way to extensive debate and a public inquiry. Dresser has made it clear that the Peak Park reserves it wishes to mine are important for the development of its business.

Dresser has invested about £5m in taking over a fluorspar mine and plant at Hopton, about six miles from Youghreave. The land it wishes to mine now was covered partly by a planning permission granted to an Italian company which once had owned the Hopton works.

In its consideration of the application, the planning Board was less concerned about the immediate commercial repercussions for Dresser than about the long-term effects on the national park.

Its refusal was based on an assessment that Dresser had not provided sufficient information about its plans for the restoration of the mining site after exploitation.

Although Dresser has advanced restoration plans, the planning Board considered that details were not certain enough. What it would have liked was the imposition of a bond on Dresser so that it could have been assured of restoration.

But the whole concept of bonds is rejected not only by Dresser but the whole UK mining industry.

Housing  
chief  
attacks  
architects

By Michael Cassell, Building Correspondent

A SCATHING attack on the architectural profession was made yesterday by Mr. George Tremlett, leader of the Greater London Council's housing policy committee.

He told the annual conference of the Royal Institute of British Architects in Liverpool that architects had "debased London in recent years and in the process have debased themselves."

Architecture, he claimed, had been devalued and standards had fallen. In particular, he criticised municipal architects and said they were "held in contempt" by politicians of all parties because of the damage they had inflicted on urban communities.

Mr. Tremlett acknowledged that he was making serious charges but insisted that the decline in standards of the architectural profession was "a tragedy of enormous proportions."

He charged architects with failing to resist moves towards high-rise developments and styles of building "almost unspeakable in their ghastliness." As artists, Mr. Tremlett added, architects should have prevented schemes which were clearly damaging to the environment.

## Intolerable

Architects, he claimed, had designed housing estates where life had become intolerable, where services would not call, and where people were constantly terrorised. Large blocks of flats had been vandalised and their basements had become "haunts for thieves, drunks and dossers."

Mr. Tremlett said that the GLC had built 320 tower blocks during the 1960s and early 1970s and now about 80,000 people were trapped in them, "many desperately anxious to escape, imprisoned by municipal vandalism." Politicians, too, had to bear a share of the blame, but architects had helped destroy communities, he claimed.

"If an architect comes to us now with a bad scheme we shall send him away with a flea in his ear. We have already done this and if the GLC architects do not like it they can go away and somewhere else to work."

## Tories block 'Grunwick Bills'

JOHN HUNT, PARLIAMENTARY CORRESPONDENT

PRIVATE Members' the Bills, there would not be out forward by Labour MPs adequate time left for consideration. One of the most important measures to be blocked was the Post Office Workers' (Industrial Action) Bill, presented by Mr. Norman Buchan (Lab, Renfrew West) and a wide spectrum of Labour back-benchers.

Its intention was to clear up what Labour MPs believe to be the anomalous position of Post Office workers' not having the legal right to strike. It stipulated that they would not commit any offence under the Post Office Act of 1853 by taking industrial action, if it was in furtherance of a trade dispute in which the Post Office was a party.

It was introduced because of the row over the Post Office workers who refused to handle mail for Grunwick's.

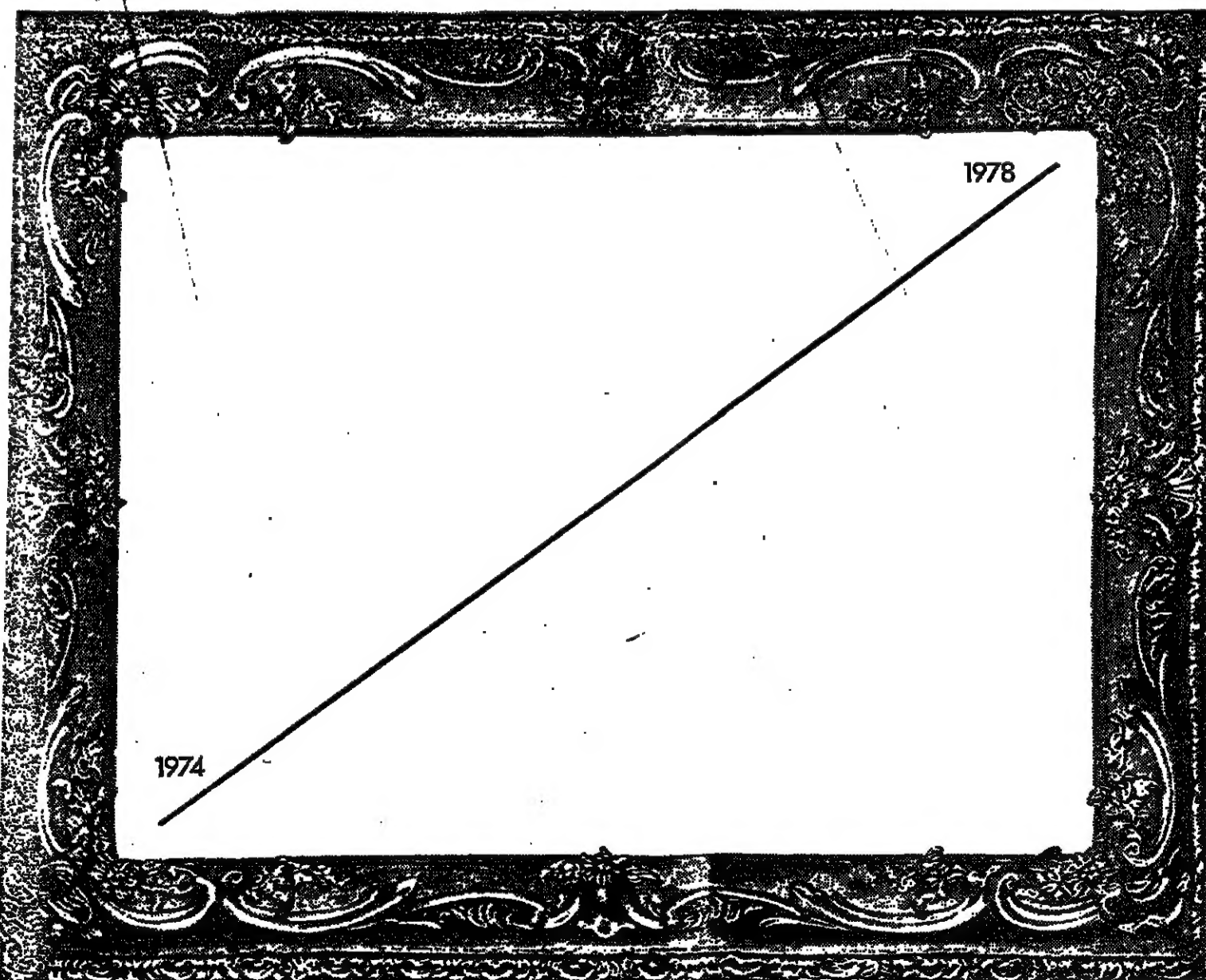
Another measure was the Employment Protection (Amendment) Bill, put forward by Mr. Ian Mikardo, the Left-wing Labour MP for Bethnal Green and Bow. This would give workers the right to claim for unfair dismissal when they are sacked during union-recognition disputes.

There was also the Employment Protection Bill of Mr. Ted Fletcher (Lab, Darlington), chairman of the Left-wing Tribune Group. Its main effect

would have been to prevent a court's overturning a ruling of ACAS in a union-recognition dispute, which happened in the case of Grunwick.

The Estate Agents' Bill was in a different category from the others. It received considerable support from Tory MPs and had the backing of the National Association of Estate Agents, the Royal Institute of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers.

But a minority of Conservative MPs blocked it yesterday on the grounds that it gave the director-general of fair trading too much power.

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## HOME NEWS

## Ministers and MPs to have 10% rise

By Philip Rawstone

MINISTERS and MPs are to get a 10 per cent pay rise, it was announced yesterday.

It will be the first pay increase for Ministers since 1972 and will leave their salary levels well below the figures recommended three years ago by the top salaries review committee.

Mr. James Callaghan's salary as Prime Minister will rise from £20,000 a year to £22,000.

Under the Order in Council, Mrs. Margaret Thatcher's pay as Leader of the Opposition will be raised from £14,500 to £15,950.

Lord Elwyn-Jones, the Lord Chancellor, will receive the highest paid member of the Government with a salary of £22,228 a year. Mr. Sam Silkin, the Attorney General, will get £18,980 and Lord Peart, Lord Privy Seal and Leader of the Lords, £14,528.

Other Cabinet Ministers will be paid £14,300 a year; the Solicitor-General and the Lord Advocate £12,100; and senior Ministers outside the Cabinet and Ministers of State will be paid between £8,250 and £10,450.

## Allowances

Parliamentary secretaries, the most junior ministerial rank, will be paid £6,050 and Government and Opposition whips £4,400.

In addition to their ministerial salaries, Cabinet Ministers will receive £3,529 of their MP's pay. Other Ministers will get £4,299 and whips £4,642.

A Commons motion tabled yesterday will increase the salary of a backbench MP to £8,897 a year. Secretarial allowances will also be raised by 10 per cent.

All the increases will be effective from June 30.

## Injunctions continued

COURT ORDERS made 10 days ago against Mr. Per Hegard, a former aide of Mr. Teddy Smith, a financier, and Mr. Hegard's company, Seton Securities, were continued by a High Court judge yesterday.

On July 4, Mr. Justice Browne-Wilkinson granted Mr. Smith temporary injunctions preventing Mr. Hegard, of Fairmile Avenue, Cobham, Surrey, and his company and its subsidiaries from dealing in the assets of, or contracting debts in the name of, the A. T. Smith Organisation or Land Value, otherwise than in the ordinary course of business.

The judge yesterday refused Mr. Hegard's application to lift the ban. He did, however, agree that the ban should not apply to one Seton subsidiary, Deritron, because there was evidence that the injunctions were causing practical harm.

## BL man 'haunted by corruption belief'

THE FORMER British Leyland executive charged in the "Byder letter" forgery trial at the Old Bailey was haunted by the belief he had uncovered corruption in the car company, a witness said yesterday.

Freelance journalist Mr. Nicholas Guitard agreed with defence counsel Mr. William Howard QC that the situation "prevailed on the mind" of Graham Barton, 34.

Mr. Guitard, of Camden, London, had earlier told the jury that he acted as "go-between" when Barton sold his story to the Daily Mail last year for £15,000.

Barton and his Turkish-born wife Fatima, 32, between them deny a total of five charges arising from the alleged forgery of copies of two documents purporting to be letters to British Leyland and dishonestly obtaining £15,000 from the newspaper by falsely pretending the copies

## Parents 'need voice in new 16-plus exams system'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

EMPLOYERS and parents should have a say in the control of a new single system of 16-plus examinations in England and Wales, the Government was told by an official report published yesterday.

But it would be at least 1985 before schoolchildren could sit the new exam, said the committee under Sir James Waddell, former deputy secretary at the Home Office.

It had made a 16-month study of the possibility of replacing the present dual system of GCE Ordinary levels and the Certificate of Secondary Education.

Mrs. Shirley Williams, Secretary for Education and Science, is in favour of the Waddell Committee's proposals. She will not, however, put the new development into force unless it is backed by the educational interest groups affected.

The committee was formed to "look again" at the proposals for a single 16-plus system recommended to the Government two years ago by the Schools Council.

The Waddell Report concludes that a common system is both feasible and desirable, but that the new exams should not be under the control of teacher interests, as the Schools Council proposed.

"Instead there should be a representation of the appropriate interests without any one of these having a majority voice," the report said.

They should include employers' and parents' representatives as well as those of schoolteachers, higher and further educational institutions, local and central government.

A variety of exams and syllabuses should be offered by a number of different boards,

possibly four in England and another in Wales, with schools being allowed to choose between them.

The new boards would be composed of groupings drawn from the eight GCE and 14 CSE examining bodies, with at least one GCE and one CSE body represented in each of the groups.

Although most candidates would enter in a number of subjects, the exam could be taken—and a certificate awarded—in only a single subject.

There would be no official distinction between pass and fail. Instead the great majority of candidates would be graded in each subject entered on a seven-point scale. Only an exceptionally poor performance would be left ungraded.

The grades would be based on the notion that only the most academically able three fifths of the 16-plus age group would be entered for the exam.

As a result, in subjects which attract a mass entry, grade three or better—corresponding to the old Ordinary-level pass—would be awarded to about three in every five entrants.

Grade six or above—corresponding to the old CSE grade four or above—would be awarded to about five in every six entrants.

Since subjects such as art will continue to attract a far wider range of entrants than studies such as physics and French, given grade will continue to be easier to attain in some subjects than in others.

While a single paper could be devised for all candidates in some subjects—for example, biology—there would be different questions or papers for entrants of greater and less academic ability.

School Examinations, Cmd 7281-1 (main report) Cmd 7281-11 (supporting documents); SO, £1.15 and £3.15.

## NEWS ANALYSIS — JAPANESE VEHICLE DEALERS

## The curious case of Colt Cars

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

IN THE bizarre history of the Japanese invasion of the UK car market there have been few incidents as odd as Colt Cars' announcement that it aims to substantially strengthen its dealer network in the next few months.

The Colt statement runs completely counter to the general understanding of the current Japanese position. Sales of Japanese cars in the UK are coming gradually under the form of external control by the Government-backed agreement to limit shipments from Japan.

Because of this, all the other importers are either actively trimming their sales networks or anxiously watching for defections. Yet Colt is planning an expansion.

No clarification of its position was available yesterday from the Cirencester-based company. Yet in the short term it is difficult to see how Colt could support an expansion of its franchisees.

The company sold 6,317 cars in the UK last year, and will be limited to supplying around that figure in shipments this year. But in the first six months of the year it registered 5,285 cars, leaving it with very little product to market in the latter half of the year to keep cash flowing through the dealership.

On the face of it, this is no position from which to launch an expansion.

In the statement, Mr. Michael Orr, the managing director of Colt, indicated that the company was planning for the day when the present agreement in limitations ended. The company wanted to grow in line with the growth of its vehicle supplier, Mitsubishi Motors, he said.

This argument, however, is highly suspect, given the fact that the U.K. Government is expected to seek further restrictions next year. Virtually all the Japanese importers are digging in for a long period of sales limitations. Toyota, for example, has cut back its dealer network from 280 to 240 outlets, and Honda is rationalising steadily as part of an up-grading exercise with its distributors.

These Japanese companies only serve to underline the point that Colt, along with Mitsubishi, which has a 49 per cent stake in the British company, are real mavericks in the Japanese camp.

Mr. Orr, a self-made entrepreneur in his early 30s, likes to speak his mind and go his own way. Similarly, Mitsubishi is a relative newcomer to the big league of Japanese car manufacturers which refuses to be awed into silence by the big two, Toyota and Nissan.

Indeed, a few months ago senior executives at Mitsubishi openly criticised their larger competitors for not giving ground in the UK in order to allow them to grow within the overall limitation on Japanese sales.

In the longer term, the latest incident will simply increase speculation about Mitsubishi's overall intentions in the car industry.

It has become clear in the last few years that it is rapidly becoming a growing force in the Japanese industry, with capacity already approaching 500,000 units (more than BL produced last year), and a range of more sophisticated vehicles coming through its factories.

The other intriguing factor about Mitsubishi is that it is linked with Chrysler through a 15 per cent stake held by the U.S. multinational. So wherever the two exist side-by-side, as in Britain, speculation about their relationship inevitably follows.

In the UK, for example, there are many who believe that Chrysler might eventually do a deal to distribute the Mitsubishi product and stop up the gaps in its own product range.

Indeed, about 18 months ago there was a great deal of speculation about the possibility of a Mitsubishi assembly operation in Europe linked to the Chrysler organisation.

This possibility was scotched in its early stages, and Chrysler UK continues to hump along among the also-rans of the UK market, and so long as Colt and Mitsubishi continue to press aggressively ahead, people will continue to speculate about a readjustment of their relationship.



The Colt Sapporo 2000 GSR.

To emphasise its independence, Colt has no confirmed possibility of assembling Mitsubishi's heavier range of vehicles in the UK, quite separately from anything Chrysler might be planning.

Yet it remains true that the two companies are extremely close. This week, for example, Mr. Don Lander, the former head of Chrysler UK who is now in charge of Chrysler's international operations, has been in Japan talking to Mitsubishi.

It is quite possible that this has nothing to do with the British situation of the two companies. But so long as Chrysler UK continues to hump along among the also-rans of the UK market, and so long as Colt and Mitsubishi continue to press aggressively ahead, people will continue to speculate about a readjustment of their relationship.

At Hull, at the former Ideal Standard plant, a new foundry will be built alongside the existing one to ensure production is not disturbed.

About £24m will be spent on the new radiator factory at Mexborough and the production lines have been designed by Stelrad to produce complete radiators in an almost continual process.

A further £250,000 is going to the radiator factory at Verwood in Dorset. This investment should double output.

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## Thatcher in bid to soothe immigrants

MRS. MARGARET THATCHER last night made a determined bid to regain Tory support among the immigrant groups.

Opposition from the immigrant communities has increased markedly since the Conservatives revised their policies on immigration, and could be a significant factor in some 20 marginal seats in a general election.

Mrs. Thatcher said last night that the "doubt and alarm" among the minority groups had been spread by "malicious distortion" of Conservative attitudes.

She told the Anglo-Asian Conservative Society in Barnet that the party's aim in controlling immigration was to end the constant preoccupation with the issue and the worries that people had about it.

"Then it is our hope that those who have come here in the post-war years will no longer be labelled immigrants, but have their full place as British citizens with the same rights and responsibilities to our country as the rest of us."

Mrs. Thatcher emphasised that the Conservatives would never tolerate any policy of compulsory repatriation. "We applaud the great efforts made by many of those who have settled in Britain in recent years. They are now full British citizens whose permanent home is here."

She promised that a Conservative government would invoke the full force of the law to end the present wave of brutal attacks by young thugs on minority communities in some cities.

Mrs. Thatcher promised: "We will seek to promote harmony between all our people wherever they come from."

She emphasised: "A party with no creed and no beliefs could not be implacably opposed to the National Front and any other group in our society which seeks to stir up racial hatred."

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## More talks next week in Post Office dispute

BY PAULINE CLARK, LABOUR STAFF

THE CHANCES of a solution to the nine-month old Post Office engineering dispute over a shorter working week receded yesterday after joint talks were adjourned for the fifth time.

If the two sides fail to agree on a formula at a reconvened meeting planned for next week, Lord McCarthy, who is heading the inquiry into the dispute, is expected to produce his own recommendation.

Lord McCarthy has been placed in the role of mediator and any recommendation he may make on the union's demand for a 35-hour week will not be binding on either the Post Office Engineering Union or the management.

The Post Office has resisted the claim for reduced hours without loss of pay on the grounds that it is in breach of the Government's 10 per cent pay guidelines.

Towards the end of last month, the engineers stepped up their industrial action after banning work on new exchange connections since last September.

A decision might then have been taken on whether to recall the special conference which met last January, when the engineers said any proposal to advance a new productivity deal would be unacceptable.

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## Boyd nominated for TUC council return

BY ALAN PIKE, LABOUR CORRESPONDENT

MR. JOHN BOYD, general secretary of the Amalgamated Union of Engineering Workers, is being nominated by his union to return to the TUC general council in September.

Pressure from left-wingers on the AUEW executive forced Mr. Boyd off the general council shortly after he became general secretary in 1975. His return indicates the swing against the Left which has taken place in the executive since then, culminating in the election of Mr. Boyd's close political ally, Mr. Terry Duffy, to take over the union presidency in October.

Traditionally AUEW general secretaries have been administrative officials and have not served on the TUC general council.

However, Mr. Boyd is by far the most experienced of the figures who now dominate the union's leadership.

Mr. Hugh Birtch, who retired as AUEW president soon after the TUC Congress, is not standing for re-election to the general council. The union's other nominees with Mr. Boyd will be Mr. Duffy and Mr. Reg Birch.

Mr. Birtch, a Maoist who retired next year, took Mr. Boyd's place on the general council in 1975.



## THE WEEK IN THE MARKETS

## A flicker of life

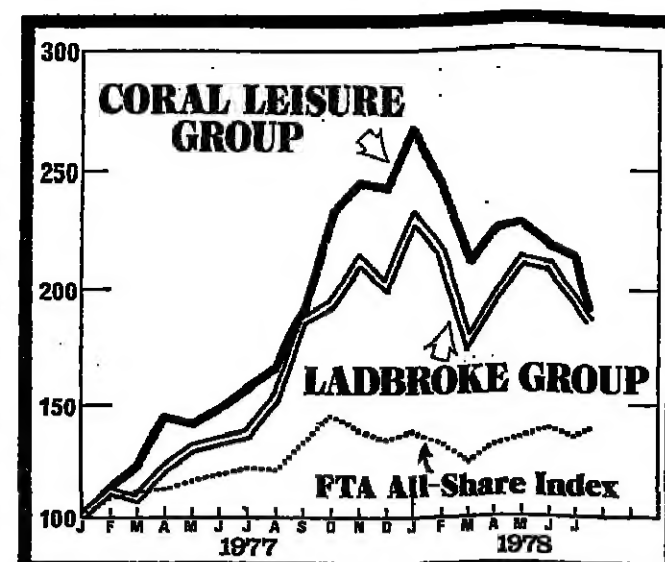
stock market huffs and but it isn't really going where. Thus the FT 30 Index this week registered its sharpest rise for a month, and ended up in the middle of a trading range in which it has been for most of this year. The rally was triggered by a move in the gilt edged market, which looks as though it may be getting over its bout of indecision at last. A move in sterling helped and so did the latest data on inflation rates. It is hard to see the market making much headway in the near future. An election campaign is already under way, in fact it is not. The likely year of election a year hence is still completely open question. The immediate outlook for dividends is highly uncertain. And the funds for credit from the rate sector are increasing. So bulls are going to have their cut out if they try to keel off the mid-summer rally.

## LONDON ONLOOKER

**Share spurt**  
Petroleum shares shot up this week, from a low of 83p to a high of 88p, ending the week at 86p, though the persistent speculation that the company had found massive oil field to the West of the Shetland Islands. The possibility of a promising recovery may have been the reason for the buying. It is questionable whether this is a sound reason. In truth, BP has not yet had a massive field. Last week it drilled a well on block 1/8 which flowed a fairly heavy oil (by North Sea standards) at a modest rate of 2,820 bbls a day. And it appears to be struck oil again on the new block with its latest well. This is causing all the excitement. BP is remaining tight-lipped but it appears to be engaged in a testing programme, on the Royal Commission on Gambling would have something nasty to say about casino profits. The nervousness was justified because Lord Rothschild did not pull his punches. The report reckons that casinos are almost certainly the most profitable businesses in the country. The return on capital employed of the average casino is 172 per cent and for the big London casinos the figure is 432 per cent. What is more, casino punters pay virtually no tax unlike other gamblers. Lord Rothschild argues convincingly that they should be made to pay more and proposes that there should be an eight-fold increase in casino licence duty which will be partly financed by a 71 per cent "general betting duty" levied on casino customers. In addition, the big casinos which have a drop (money exchanged for chips) of over £10m will have to pay a 3 per cent additional casino levy. This would mean that the pre-tax profits of the big London casinos would collapse from £42.1m to £10.1m. All this is bad news for Ladbroke and Coral which make 47 per cent and 32 per cent of their profits respectively from casinos. Of course there is a big difference between recommending these changes and their actual implementation but the message is clear—the boom conditions for the casino operators could soon be over.

## Fly in the ointment

The Bank of England's evidence to the Wilson Committee is bland reading compared to the Rothschild report on gambling. If it is remarkable at all it is only for the fact that it manages to ignore completely the Sarabex case in a document which is ostensibly about the supervision of the financial institutions. The Sarabex case is the complaint brought by a money



broker of that name against what it alleges is the closed shop in London money broking. Since the original complaint was

## U.K. TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 15

Sector	% Change
Stores	+6.1
Hire Purchase	+5.8
Newspapers, Publishing	+5.6
Electricals	+5.2
Wines and Spirits	+5.1
Food Retailing	+4.8
All-Share Index	+0.9

## THE WORST PERFORMERS

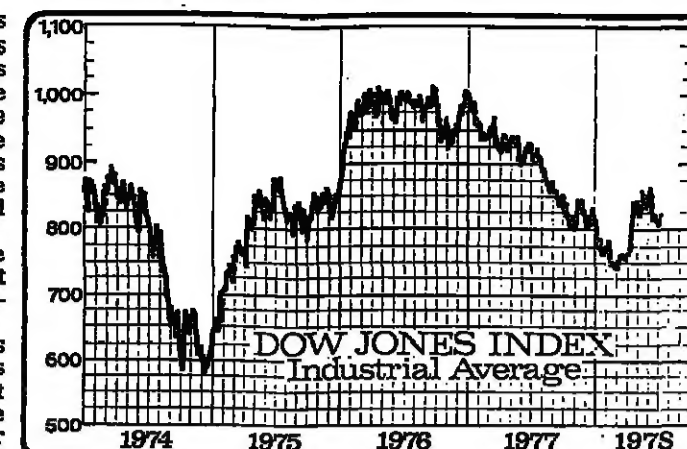
Sector	% Change
Entertainment, Catering	-1.7
Household Goods	-2.5
Breweries	-3.1
Shipping	-3.7
Misc. Financial	-4.4
Discount Houses	-5.5

## U.K. INDICES

Index	July 14	June 7	June 30
Average	70.13	69.39	69.18
Govt. Secs.	70.13	69.39	69.18
Fixed Interest	71.73	71.27	71.23
Indust. Ord.	470.8	454.2	456.5
Gold Mines	159.5	159.3	159.5
Dealings mtd.	4,402	4,346	4,305
FT ACTUARIES			
Capital Gds.	214.56	208.49	207.93
Consumer (Durable)	197.85	191.47	191.33
Cons. (Non-Durable)	202.08	195.93	195.22
Ind. Group	210.46	203.98	203.93
500-Share	234.28	226.68	226.76
Financial Gp.	162.24	155.26	156.64
All-Share	215.99	208.62	208.70
Red. Debs.	56.80	56.71	57.29

## Recovering composure after the spring

AS corporate America swings into its second quarter earnings reports, the stock market has been recovering its composure following the erosion of the Spring rally. So far it has to be admitted that the market is demonstrating considerable resilience in the face of mixed economic and financial news. There are those who are characteristic of the present situation as a tug of war between institutional investors. On the one hand are investors who believe the economy is heading for a disastrous credit crunch. On the other are those who feel a flowing—or faltering—economy will cool inflation and reduce GNP growth to a lower more sustainable level. So far it has to be concluded the optimists are ahead on points. Thus, in a week during which the best news has been



## NEW YORK STEWART FLEMING

## DCL on target

Full year figures from Distillers this week came right up to best hopes with pre-tax profits rising from £133.8m to £182.5m. And the long term outlook appears fair: Distillers is confident enough to start rebuilding its stocks of whisky, and it can well afford to with net cash of nearly £100m in the balance sheet. However, analysts are not aiming for very much growth in the current year. The decision to withdraw Johnnie Walker Red Label from the home market following the EEC's ruling against the company's dual pricing policy has probably cut the company's share of the UK market in half to around 20 per cent. Overseas the picture is brighter with 4 or 5 per cent volume growth in prospect, though margins may be tighter. Overall profits of around £180m are expected and the company is promising to improve on its 6 per cent dividend as soon as legislation permits—good enough to sustain the shares at 187p. So far at least the interest

generated in these sectors has enabled investors to shrug off more worrying news. Thus Federal Reserve Board chairman, Mr. William Miller's warnings to the Congress about the threat of inflationary excesses did little to dampen investors' ardour. It remains to be seen how the market will respond to the near record surge of the money supply in the first week of the new quarter. There had been rumours of a \$5bn lead in MI through the week. Now that such a big increase is confirmed just ahead of a meeting of the Federal Reserve's open market committee next week, caution might be expected to prevail until a clearer idea of where monetary policy is headed is available. But logic is not always a good guide, some would say it never is, in trying to judge a stock market which may be gaining confidence. Moreover there is little doubt that the economic statistics coming out in the next few weeks will provide evidence of a slowing in growth from the 8-10 per cent rate anticipated in the second quarter in real terms. The apparently encouraging indicators should be available to back up renewed optimism, at least in the short term.

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## MARKET HIGHLIGHTS OF THE WEEK

	Price Ytd	Change on Week	1978 High	1978 Low	
Ord. Index	474.4	+18.8	497.3	433.4	Economic and dividend hopes
Oil Dredging	28	-13	41	21	Fading bid hopes and annual loss
Oil Leisure	96	+34	896	720	Reported major oil discovery
Untryside Properties	45	+6	46	31	Report on gambling
Osley Building Prods.	103	-39	104	62	Improved interim results
Stellers	187	+9	190	163	Agreed bid from Bowater Corp.
Unipol	80	+6	90	71	Satisfactory results/dividend hopes
Unipol	117	+17	120	81	Heavy Far Eastern buying
Unipol	385	+23	396	328	Good annual results
Unipol	166	-12	215	162	General economic hopes
Unipol	280	+25	297	242	Report on gambling
Unipol	157	+14	160	135	Ahead of int. dividend season
Unipol	14	-6	31	14	Market trend
Unipol	137	-12	140	104	Pre-tax loss and dividend omission
Unipol	367	+24	425	343	Proposed 100% scrip issue
Unipol	374	+40	444	226	Investment recommendation
Unipol	270	+25	276	182	Improved Brae Field prospects
Unipol	143	-53	145	46	North Sea speculation
Unipol	141	+28	178	78	Results and 300% scrip issue
Unipol					Cape demand

## Exceptional circumstances

MAY be coldly regarded as non-recurring credit by an accountant, but an exceptional unit is a welcome bonus as far as a shareholder is concerned. In this week holders of South African gold shares will have been cheered by the advance in the quarterly earnings of the ones in the Consolidated Gold fields group; the past quarter's profits of the gold producers in other groups will be disclosed from Tuesday onwards next week.

The average price of gold mining the June quarter was by a few dollars above the average of \$173 per ounce achieved by the mines in the previous three months. What is boosted their profits has been the change in the method of payment for the mines' gold. Previously they received the local price of \$42 when it was delivered to the Reserve Bank and then they had to wait one to two weeks before they received the difference between this and the much higher price obtained when the gold was sold on the open market.

From April 11, however, the mines got a market-related price at the time of delivery. Consequently, the revenue received in the past quarter has been increased by catch-up payments relating to part of the gold that they delivered in the previous three months under the old system.

This once-for-all bonus has had most impact on profits of the less prosperous mines. Entersport, for example, has one unit with a net profit for the June quarter of R1,525,000 (282,500) after repaying state aid of R139,000. In the previous quarter the mine was a recipient of state aid to the tune of R1,197,000 which was mostly absorbed by the operating loss, leaving a profit of only R123,000.

per cent and in this case the improvement has been helped by a return to normal production after the underground fire. Ore milling totalled 480,000 tonnes in the past three months and I hear that the rate is expected to rise to 540,000 tonnes by the first half of next year.

In the diamond world, sales

## MINING KENNETH MARSTON

handled by the Central Selling Organisation on behalf of De Beers and other diamond producers for the first half of this year have bounded ahead to a value of R1,06bn (\$1,22bn). This is 13 per cent up on the first half of 1977 when the full year's total reached a record R1.5bn. In this case the bonus element stems from diamond price surcharges that the CSO has imposed this year in its efforts to maintain control of the market, which had succumbed to a bout of speculative trading; merchants, hedging against currency and political worries, had been holding on to rough gems instead of passing them along the processing chain.

The resultant shortage of gems led to high premiums of anything up to 100 per cent being charged in the market above the CSO prices. This did not, of course, benefit De Beers and other producers or, for that matter, the buyers of finished jewellery. So the CSO slapped surcharges of up to 40 per cent on its own prices.

This action together with some squeezing of credit unlocked the gems from non-productive hands and the situation is now under control again. The surcharge at the recent CSO sale (there are 10 of these "sales" a year) was reduced to 10 per cent and may disappear at the next sale on August 21.

A seasonally quiet diamond market now looks with interest to the outcome of the next sale because it should give some guidance on the important U.S. market prospects; buyers from across the Atlantic will be seeking stones for the Christmas trade, where which accounts for 40 per cent of U.S. jewellery purchases.

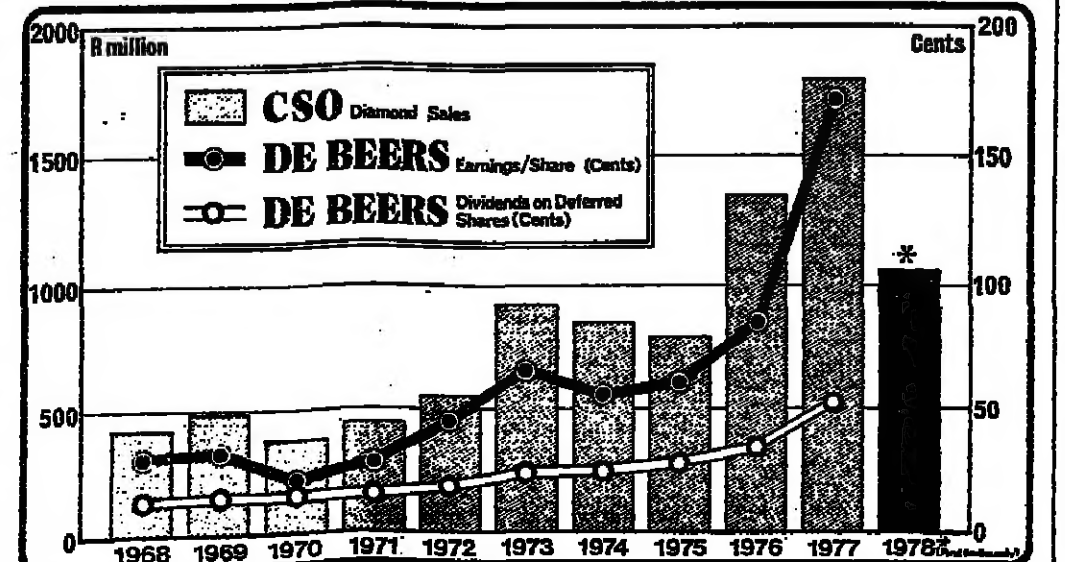
The absence of high surcharges on CSO prices coupled with a cooling in the market generally points to a lower sales value in the second half of this

year, but the year's total is still likely to exceed the 1977 record. So too, of course, are De Beers profits.

Meanwhile, the acceptance of the Western proposals for the peaceful transfer of Namibia (South West Africa) to independent status—though yet to receive UN Security Council approval—is probably of greater importance to De Beers with its big diamond interests in that country. And the group has demonstrated in Botswana that it can live amicably with Governments in emerging economies, albeit somewhat less profitably.

Finally, the Rio Tinto-Zinc group's Conzinc Riotinto of Australia has reached the stage at which it is to start bulk sampling at the joint venture diamond exploration prospect at Ashton in New South Wales. Diamonds are there all right, but the bulk sampling is needed to determine whether they exist in sufficient concentration to be economic.

CRA warns that it will take time to find the answer and the group preserves an understandable air of caution in its latest progress report. On this intriguing prospect. After all, there has never yet been a major diamond discovery in Australia.



## ARBUTHNOT IN AMERICA

## Here's why you should invest now in the Arbuthnot North American and International Fund

“Much smaller, but no less successful, has been the Arbuthnot North American Unit Trust, doubling in size to £2½ million in the last few weeks. It also proudly stands at the head of the one-year performance table, with a rise of some 12.5 p.c. in the 12 months to last Friday, which compares with a fall of 8.6 p.c. in the Dow Jones in the same period.”

David Collins, Sunday Telegraph, April 30th, 1978

Since the relaunch of this fund on 1st September 1976 the fund has increased in value by 106.6% compared to a fall of 15.2% in the Dow Jones Index over the same period.

Now – The Right Time to Invest – The US stock market is beginning to recover from a depressed level similar to that in the UK market three years ago. We believe the US market still has room for considerable growth which is the aim of this fund.

Arbuthnot – The Right North American Fund – Over 90% of the fund is currently invested in US securities, much of it in smaller companies. Unlike the blue chip internationals their growth is not held back by overseas interests operating in less favourable conditions or by falling exchange rates. However, we maintain an extremely flexible attitude and with any improvement in world trade we would increase the fund's holding in the larger international trading companies.

Arbuthnot carry out much in-depth research and constant monitoring, as well as making regular visits to America, so as to pin point the areas and industries that show the greatest potential for growth.

“What's more, one or two of those funds whose portfolios contain a fair share of companies other than the leaders have in fact done remarkably well over the past few weeks. Most notably, Arbuthnot, whose North American and International still tops the one-year performance table, with a gain of 13.4 per cent even though around half of the portfolio (some 90 per cent invested directly into the U.S. markets) is composed of smaller companies.”

Adrianne Gleeson, Financial Times, May 13th, 1978.

Investment of this fund is partially through a back-to-back loan facility in order to minimise the effects of the dollar premium.

The price of the units and the income from them may go down as well as up.

Your investment should be regarded as long term. Fixed price offer for North American & International Fund (estimated current gross yield 1.0%) until 5 pm July 21st, 1978 at 34.1p (or the daily price if lower).

The Managers reserve the right to close offers if unit values rise by more than 21%. Applications will be acknowledged, and unit certificates will be issued within 35 days. The offer price includes an initial charge of 5%. The annual charge is 1% + VAT. All net income accumulated within the fund. After the close of these offers units may be purchased at the weekly (Thursday) dealing date, when units can also be sold back. Payment will be made within 14 days of the dealing date and on receipt of your certificate duly renewed. The weekly price and yield appear in most leading newspapers. A commission of 1% will be paid to recognised agents. This offer is not open to residents of The Republic of Ireland. Trustees: The Royal Bank of Scotland Ltd, Managers: Arbuthnot Securities Ltd, (Reg. in Edinburgh 46944). Members of the Unit Trust Association.

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Capital Sum I/we wish to invest the sum of £ (min £500) in the Arbuthnot North American and International Fund and enclose a cheque payable to Arbuthnot Securities Ltd so the initial payment. A bankers order form will be sent to you by the manager following receipt of this order. This order is revocable at any time by one month's notice in writing.

I/we declare that I am/we are over 18 and not resident outside the scheduled territories nor am I/we acquiring the above mentioned securities at the nominee's of any person, a resident outside these territories. (If you are unable to make this declaration, it should be deleted and the form lodged through your Bank, Stockbroker or Solicitor in the United Kingdom.)

Signature(s) \_\_\_\_\_ Joint applicants, all must sign, Mr/Ms/Miss or Titles and Forenames.

Full Name(s) \_\_\_\_\_ Address(es) \_\_\_\_\_

ARBUTHNOT NORTH AMERICAN AND INTERNATIONAL FUND



## FINANCE AND THE FAMILY

## Valuation of shares

BY OUR LEGAL STAFF

When equities are transferred from a testator's personal representatives to a beneficiary some time after the testator's death and after there has been a considerable change in the market value, is the "acquisition cost" in the hands of the beneficiary the value at the date of death or the value at the date of transfer to the beneficiary?

If the shares are actually transferred, then the valuation is as at the date of death. It is only when the executors sell the shares that provision is made for a fall in the price.

## A power of attorney

With reference to your reply under A Power of Attorney (May 6) I have always understood that such a power granted before the Act of 1971 endured for one year only. Must the grantor who wishes to continue the authority sign a new form each year thereafter?

A power of attorney granted after 1971 can endure for more than one year, but after a year the presumption against revocation ceases.

## Joint purchase of a cottage

My wife and I intend to purchase a country cottage jointly with one daughter, who lives abroad, and we shall both be using it for holidays. Do we need a power of attorney for every transaction after the purchase—for example, for extensions, bills for repairs etc? Must every payment be made as to 50 per cent by our daughter to satisfy the authorities that it is genuinely shared? Can we at a later date reduce our share of the property by each

## A return from Australia

In 1968 I went to work in Australia and stayed there until 1975. Since then I have been a student, and having obtained a job, I shall be staying in this country. When I returned to England I left the bulk of my property in Australia basically, bank accounts, shares and two residential properties which are let. Each year I lodged a tax return with the Australian authorities. Was it legal for me to have left property in Australia? Now that I expect to earn an income in the UK shall I have to submit tax returns in both Australia and the UK? According to the local tax officer, I have not hitherto been liable to UK tax. We take it that you are (and always have been) domiciled in England and Wales—or else

making an annual tax free gift of £2,000 each?

If you use the medium of a trust (as is in fact inevitable) it will be unnecessary to have a power of attorney. One or more trustees resident in England can be appointed to look after your daughter's interests. It is not essential for every payment to be shared as you state; but the overall contribution must be a genuine sharing. By means of a trust for sale the transfers of shares in the property up to a value of £2,000 can be effected without difficulty. It would be wise to consult a solicitor in respect of the whole transaction.

## Terminating a tenancy

What action can I take against a tenant who has installed a gas fire in a bedroom against my wishes and against the advice of a property repairer?

You should consult a solicitor with a view to ascertaining whether you can terminate the tenancy and seek possession under Cases 1 or 3 of the 15th Schedule to the Rent Act 1977.

## Shortcomings of PAYE

My wife receives a pension from which tax is deducted at the full standard rate and it takes a long time and some trouble for me to claim in respect of her EIA. I have suggested that this EIA be added to my own notice of coding, which would mean that jointly we should be paying the tax due, but, despite all my representations, I have been unable to get the local tax office to agree. Is there anything to be done?

Your best hope probably lies in writing to the Secretary of the Board of Inland Revenue, New Wing, Somerset House, Strand,

London WC2R 1LB. Quote the reference number on the tax inspector's letter, so that the officers at Somerset House can ask to see your file, if need be. Tactically, you should not criticise the conduct of the tax officers, but merely the apparent shortcomings of the PAYE system.

## An insurable interest

I am a British citizen employed in Zambia and have been told that it is possible to insure all my personal effects against all risks worldwide by means of an insurance policy purchased in Britain. Is this so and if it is how do I set about it? The risk you mention is an insurable interest. It should therefore be possible to have a policy written for you. You should consult insurance brokers, as the policy you require can probably best be obtained from Lloyd's underwriters in London.

## An ex gratia payment

The roots of an old poplar tree in my garden caused a leak in the water main and on advice that the trouble would probably recur, after having the leak mended, I had the tree cut down and am getting the roots killed. My insurance company agrees that, under my comprehensive household policy, I am covered for the leak not for the tree cutting. What, please, is your view?

Without sight of your policy we cannot advise with accuracy, but it is most likely that you are not covered for the cost of removing the tree and its roots. You may, however, persuade the insurers to make an ex gratia payment towards the cost as you have removed the source of a future claim.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Inheritance from abroad

I am a British subject, but have been resident in Italy for my UK investments into a three-way joint account with my wife and son, do these, plus bank deposits etc automatically pass to the other two on my death, without tax being payable and should I make a will to ensure this happens?

The stock and bank account will pass to the survivors or survivor on your death. However, there could be some doubt whether the equitable interest was vested in the three joint holders or only in one or two of them unless there is an express declaration of trust. Moreover, in view of the possibility of there being a doubt as to the position under the laws of inheritance in Italy it is desirable to make provision by an Italian will which demonstrates clearly what you intend. Capital Transfer Tax should not be payable if you are domiciled in Italy.

## Division of expenses

"A" dies leaving his estate consisting of shares for division between his two sons "C" and "D"—two-thirds to C and one-third to D. C wishes to sell his two-thirds of each holding and D wishes his one-third share in each company to be transferred to him.

Has the brokerage on sale by C to be borne by him alone and has the transfer stamp duty of 50p on each transfer to be borne by D alone? Or should the whole of the brokerage and the whole of the stamp duties be borne by the estate so that, in effect, D would be contributing one-third of the whole of such expenses and C two-thirds of the whole?

There is a sound argument to be advanced in favour of either proposition which you advance. However, it is likely that the correct approach is for all the expenses to be borne by the estate as in your second alternative.

## Transfer tax on house

In our reply on May 6 under Transfer tax on a house we erroneously indicated that there was no distinction between freehold and leasehold land for the purposes of Capital Transfer Tax. In fact paragraph 20(3) of the Fourth Schedule to the Finance Act 1975 perpetuates the ancient distinction by expressly providing that leaseholds are included in the term "personal property" for the purposes of the Inland Revenue Charge for unpaid tax, where the chargeable transfer is made on death; so that leaseholds are not in that event subject to the Inland Revenue charge, while freeholds are so subject.

TUESDAY'S holiday disaster at the camp site at San Carlos de la Rapita emphasises, if nothing else does, that we are all some of the time if not most of the time at risk from the unexpected hazards of modern industrial life, even on holiday. Incidentally it is estimated that 100,000,000 tons of potentially dangerous substances including liquefied propylene gas, is carried during the course of the year by tankers on the roads of this country, so there is potential for a similar disaster here at home, though the odds when counted against the number of tankers not just on our own roads but including those of the European mainland must be some millions to one against.

Accidental death and accidental injury seem to be an increasing risk of modern life and certainly when accidents occur they seem to involve more and more people. Whether or not either of these apparent phenomena are statistically true (and they are both aspects of the same) for the average citizen insurers still provide cover for accidental death and injury at very much the same rates as they did 50 years ago, though all insurers now have detailed underwriting rules to deal with policyholders who pose worse than average risks.

I am no great advocate of the purchase of cover solely against accidental death and accidental disability for this leaves out of the reckoning disability and death from natural causes. But for the younger citizen, and particularly the younger male citizen up to the age of 30 or so, statistics are clear that it is the accident risk that outweighs

## Cover against accidents

against loss of limbs or of sight, against permanent total disablement, against the cost of medical treatment incurred in connection with any injury the subject of claim.

These low rates are increased for occupational hazards: insurers have a range usually of three but maybe of more occupation classifications with fixed percentage loadings for each, and they normally list a whole range of activities carrying increased risk of injury and therefore requiring extra premium—for example the use of a motorcycle can double the basic rate. All modern policies contain long lists of excluded activities ranging perhaps at the lower end from the playing of games as a professional, certainly to mountaineering and parachuting at the higher end.

The cost of buying back any particular exclusion depends on the activity covered: in the extreme case after full enquiry into experience, frequency participation and so on insurers may still refuse cover. Insurers provide both packages and selective policies. With the former the extent of cover and the amount of benefit are both pre-determined so that the purchaser has simply to decide how many units of insurance he requires: with the latter the purchaser can have his insurance tailored to his own requirements, subject always to the payment of the insurer's minimum premium at the lower end and to insurers' own self-imposed financial limits of cover at the other.

While insurers pay the agreed disablement benefit without

proof of financial loss often it does seek to ensure that the amount of benefit is commensurate with the policyholder's average earnings—so that even if a claimant may well question the need for say more than £100 week benefit, £5,200 in a year. This is partly because you get your money free of tax: a less you are disabled for a long time, so that you do not need match benefit precisely to your average weekly earnings.

It is by concession from the Inland Revenue and not as a right that weekly or monthly disablement benefit is not taxed: this tax holiday ceases on benefit has been payable throughout a full financial year. Thus if your claim starts in July 1978 and runs on to March 1980 you pay no tax: if it runs on to April 1980 you pay tax in the financial year 1979-1980.

Accidental death benefit is other life insurance benefit not normally taxable in the hands of the recipient because accidental death insurance counts as term assurances within the "qualifying policies" laid down in the Finance Act. Because accidental death cover counts as life assurance, it has been possible to get tax relief on premiums, subject to the normal life assurance tax rules. But new life assurance tax relief rules commence on April 1 and then the right to a relief on accidental death premiums will vanish. And of course there never has been a right to tax relief on premium for disablement as distinct from death benefits.

## INSURANCE

JOHN PHILIP

But accident insurance is cheap if you are a class 1 risk—a professional or office worker with no hazardous pastimes: you can get death by accident cover at around £1 premium for every £1,000 worth of cover: such insurance is annually renewable and provides protection 24 hours a day whether you are at work or not, here at home, certainly throughout Europe and usually anywhere else in the world. Again as a class 1 risk you can buy cover against accidental total disablement at around 15p premium for every £1 of weekly benefit, and this benefit is usually payable for two years from the date of accident.

Beyond these two basics in addition you can buy cover

IT IS A very unnerving experience, these days, to sit in a group of men discussing matrimony and money. Maybe married men have always taken the view that wives were parasites with a fine capacity for absorbing income in such trivialities as maintaining a home and family. But recent legislation—and, in particular, legal decisions on the division of property once a marriage ends in divorce—have lent a sourness to these opinions which forms a dismal tribute to the enlightening effects of 50 years of liberation. Possibly it has something to do with the quality of attempts at such enlightenment.

Take, for example, the spotlight which Liberty Life saw fit to throw, earlier this week, on the attitudes of married women to money. Liberty Life is a group which has made something of a corner in the provision of particular products for women, and very successfully too: and the survey which they have just produced—"Married Women and Savings"—was brought out in conjunction with a sensible plan for a woman to transfer her life

## Of matrimony and money



assurance to her husband on marriage and transfer it back again—once should the marriage subsequently break down. Would that they had seen fit to stop short at the production of this plan.

But no: they saw fit to ask 895 married ladies questions too, and to present us with the outcome of their inquiries. Their findings are hardly striking for their originality. They are as follows: that married women would like to save on their own account; that married women,

in general, do not save on their own account; and that they could not save on their own account unless their husbands changed their attitudes. From these findings Liberty Life's researchers conclude that the great majority of wives can reasonably be described as "financially battered".

It is, of course, nonsense. The exercise might have been worth doing had Liberty Life applied itself to the question of how many husbands are financially battered too. As it is, the feelings of the young man who, having committed his means to establishing a home, and his financial future to supporting a family, discovers that his wife is to be considered financially battered because she can no longer maintain the savings that she made when she was single, in all probability beggar description. It is certain, however, that they provide no basis for that mutual respect and reliance which ought to provide the financial foundations, at least, of any marriage.

## Fight for the disabled wife

EMPLOYERS ARE warned by all and sundry against discriminating amongst their employees by sex. But in many areas the Government, for a variety of reasons, practices more discrimination than all the members of the CBI put together. One glaring example emerged this week, with the launch of the Equal Rights for Disabled Women Campaign.

The Government took a great

step towards social justice in 1975, when it introduced the Non-Contributory Invalidity Pension—a benefit payable to the disabled who because of an inadequate contributions record would not qualify for the normal contributory invalidity payment. At first this was only available to men and single women, indicating that the civil service still considered that married women should rely on their husbands for financial support.

Then, last November, the benefit was extended to married women, thereby removing one source of discrimination. But the ineptitude of someone in authority introduced another. Men and single women have only to show that they cannot undertake paid employment to qualify. Married women have to show that they cannot perform normal household duties. The Government, it appears, still consider that the normal employment for married women is housework.

That may imply discrimination in theory, but much more serious, it also implies discrimination in practice, since it is proving far harder to pass the household duties test than the employment test. We all have memories of mum struggling to do the housework despite severe handicaps, while dad takes to his bed with a cold in the head. And indeed, the test has proved altogether too selective, and the campaign is calling for its abolition.

The booklet produced setting out the cause—"Second Class Disabled"—contains case histories that are heartbreaking. Further information can be obtained from the Equal Rights for Disabled Women Campaign, 5, Netherhall Gardens, London NW3. The booklet costs 80p.

## Tax free investment the friendly way

FRIENDLY SOCIETIES conjure up visions of Victorian England, with the working class, oppressed by the industrial revolution, struggling through mutual self-help to provide against death, sickness and unemployment. The societies still linger on, despite the advent of comprehensive social security. But very few have looked at the possibilities of using them as an investment vehicle for the small saver.

Because they serve a social purpose, part of the cash collected by the friendly societies can be invested in tax exempt funds. The large friendly societies operating today take

advantage of this concession, but offer contracts similar to those offered by industrial life companies. But one company, Family Assurance Society, offers unit-linked investment to small savers.

Normally, the premium for the first £500 of the sum assured can be invested in a tax exempt fund, the rest of the premium having to go into a household duties test than the employment test. We all have memories of mum struggling to do the housework despite severe handicaps, while dad takes to his bed with a cold in the head. And indeed, the test has proved altogether too selective, and the campaign is calling for its abolition.

The plan it offers to investors is an open-ended contract; that

is, benefits are payable on death, and premium payments are limited to 10 years. The maximum guaranteed death benefit is £1,000, which means that the maximum monthly premium for investors under 44 is £10, and for those over 44, £11. So it is indeed a scheme for the small saver. By keeping to these limits, however, investment through the society is tax free—on a par with pension schemes.

There is one possible drawback, namely that the investment policy is controlled by the Trustees Act 1961. This means that at least 50 per cent of the premiums must be invested in narrow range securities—cash, gilt-edged; and the remainder can be invested in equities with trustee status or authorised unit trusts. The society operates its own investment policy, and despite this constraint has shown up well in the performance tables. And the premiums still qualify for tax relief.

If the investor wants cash, then he simply surrenders his contract. There are penalties if this is done before the ten-year premium-paying period is completed, so essentially this is a long-term savings contract. Husband and wife can each take out a policy for the maximum premium, thereby pushing up the maximum monthly outlay to £20. But this gives rise to a source of discrimination.

Because these are friendly society contracts, the investor has to nominate the beneficiary to be paid should he or she die. The husband can nominate his wife or dependent children; but the wife can nominate dependent children only. By implication, the children depend on both of them and she depends on him. This is another relic of the days when husbands were the breadwinners and did not rely on their wives for any financial support.

## Looking on—looking back

"ANTI-AVOIDANCE" legislation: the Inland Revenue's way of dealing with the other fellow—the one who is too clever by half, and who deserves all that is coming to him. Why should he think he can get away with paying less tax than I have to? If the legislation has to be retrospective to catch him, that is all right by me.

If you think that tax legislation is directional in that way, that it hurts him but leaves you unharmed, then read on. Not only is the legislation indiscriminate, but so are the officials of the Revenue and the judiciary.

Inspectors of Taxes make it quite clear that their job is to operate the law. If you are within its provisions you pay. If you are outside you escape. Inspectors cannot judge who is a naughty boy, and use the law to catch him, while recognising that law-abiding citizens should not have the stringencies of that same law applied to them. Similarly judges in tax cases not infrequently regret, in their judgments, being compelled to penalise the innocent. Rough injustice always hurts both judge and judged more than does the sight of the guilty escaping.

## Ensnared

Is this all an over-dramatisation? Is it likely that any of us will be ensnared at any moment in some dreadful anti-avoidance legislation? Let us look at a very simple, straightforward, innocent transaction.

A lends money to B. A is not a banker nor a moneylender, and he does not think that he should charge interest on the loan. If he does not receive any income, surely he will not have to pay any tax. So why is it of any concern to the taxman?

The transaction interests those who frame our tax laws just because it looks so simple, straightforward and innocent.

Those are just the garments in which the worst avoiders clothe themselves.

Perhaps it is not really a loan at all, but is a gift from A to B. If it is, then A must pay capital transfer tax. It may be that what A is giving is the use of the principal for a specific number of years, a period which he will not subsequently be able to cut short. If so, A pays tax immediately on the difference between the sum he lends, and the discounted present value of what he will get back at the

end of the term. Alternatively, if A can call for his money at any time, he is regarded as making each year a gift of that year's interest, and it is this that is subject to capital transfer tax.

Strangely, if the interest-free loan is taxed as a series of annual gifts, it is the amount of interest at an arm's length rate, but net after A's top rate of income tax, that he is treated as having given. In a fixed term loan it is not apparently possible to do the discounting calculation on a net-of-tax basis.

But does this innocent loan cloak something even more nefarious? If B is really paying A for the use of the money, but is calling that payment something other than interest (because he knows he would not get tax relief for the use to which he has put the money) then he will fail. The law will treat it as interest and B will fail to get his tax relief.

If B uses the funds to purchase an asset, but only on such terms that he gets the asset alone and not the income from

it until he has repaid his loan, then he would indirectly be achieving tax relief on his borrowing. Once again the law prevents him.

A case which saddened the courts more than most concerned Mrs. A, who lent money to meet a very short term need of B in his capacity as trustee of an accumulator trust set up for A's and Mrs. A's children. B subsequently repaid the loan, and A found himself being taxed on the principal sum repaid as if it were investment income received in the year of repayment.

This was obviously not the result envisaged by those who originally drafted the section which caught the A's. The naughty boy they were after was the one who set up a trust in order to stop the dividends from his investments reaching him as taxable income, but then continued to draw equivalent amounts of tax-free cash out of the trust. B's repayment of Mrs. A's loan fell into the trap by chance, and neither the Revenue nor the courts could extricate them.

If the loan made by A to B is made "by reason of" B's employment by A then a whole further set of anti-avoidance provisions come into play. The law deals not only with loans which are interest free, but also those which are subsequently forgiven by the employer.

It has always been the law that abolition by the employer would attract a tax liability on the employee if it was granted "in reference to the services the employee renders . . . and as something in the nature of a reward for services past, present or future." That was what Mrs. Gothery discovered when her employer lent her the cost of a training course, saying that if she continued in his employment for a stipulated time thereafter, she need not repay.

## Notional loan

Until the deemed repayment of this notional loan the employee will now pay tax on his interest-free benefit: and if repayment is only a notional event, this means that the deemed loan is deemed to have been forgiven, thus triggering a further charge (the timing of this being a question of very considerable complexity which cannot be dealt with here).

If this is an indication of the width and depth of the anti-avoidance legislation, it is still clear beyond a peradventure that you yourself will never do anything at which it might strike?

هكذا من العمل



## YOUR SAVINGS AND INVESTMENTS

## Going for a gilt fund

FROM TIME to time a muted voice emerges from unit trust circles through the land, at that point in our tax system which means that the income of any fund is a liability for high British tax. The interest rates; and in consequence, as the table below (not exhaustive) indicates, they tend to be high yielders. The income they receive, being offshore, suffers no more than the minimal local tax £300 per annum in Jersey; and it is passed on gross. You yourself, of course, as a British resident for tax purposes, will have to declare it, and eventually to pay tax at your marginal rate; but if you have the use of the money in the meantime.

## INVESTMENT

ADRIENNE GLEESON

Well now, if you happen to be one of those hypothetical investors whose dearest desire is to get their money away into a government securities fund, it is a shame to deprive them of the benefits which a mix of its professionally managed, old funds. Only Target, of the unit trust groups, has tempted to tap those benefits, then with strict attention to the possibilities for capital in, and none at all to the come attractions of fixed interest investment: in fact the Target Gilt Fund yields only 3.9 per cent.

Fund	Minimum Investment	Present yield
Britannia High Interest Sterling	£500	12.0
Clive Gilt Fund (Jersey)	£1,000	12.0
King and Shaxson Gilt Fund (Jersey)	£1,000	11.0
Quest Sterling Fund (Jersey)	£1,000	12.0*
Reichschild-Old Court Income Fund	1,000 units	7.2
Save and Prosper Fixed Interest	£1,000	11.9
Schlesinger (Jersey) Gilt Fund	£2,500	12.0
Tyndall Gilt Fund	£1,500	11.1

\* Projected yield.



Target announces a new Fund to invest primarily in stocks considered to be in "Special Situations". The aim of the Fund will be to provide capital growth, with rising income an important but secondary consideration.

## What is a "Special Situation"?

The term is usually applied by investment managers to a share which they believe is affected temporarily by special factors, or has potential not adequately reflected in the current market price. Examples include:

- Recovery situations
- Bid situations
- Market situations (i.e. where the share price is temporarily depressed by a large sale)
- Asset situations (i.e. where the asset value is far in excess of the market capitalisation).

## Selection of Situations

In addition to the general examples given, Target believes there are likely to be particular opportunities at present of finding special situations amongst:

- smaller public companies - with a market capitalisation of £1m to £10m.
- shares with a dividend not less than twice covered by latest earnings.

"Special Situations" will not necessarily be confined to U.K. investments although the overseas content is unlikely to exceed 20%.

## Investment Management

Target and its investment managers, Dawday, Day & Co., Ltd are both part of a merchant banking group which participates directly in the management of industrial and commercial companies and has long experience of investment in smaller public companies and other "Special Situation" stocks. The investment managers will also encourage regional stockbrokers to contribute their specialised local knowledge in selecting suitable investments.

## Your investment

Target recommends that because of the above average risks but greater

potential rewards of special situations, this Fund is suitable for only a part of your capital. The wide spread of investments in the Fund will help to reduce these risks.

Your investment should be regarded as long term.

## Income

As a result of the reorganisation of the portfolio the yield is anticipated to rise to 7% over the next year to eighteen months, a level which for higher rate and basic rate taxpayers will assist in maintaining a worthwhile investment return. The estimated gross annual yield is currently 4%. Automatic reinvestment of income facilities are available.

## Special 1% Discount

For investors taking up this offer, there is a special introductory discount offer. £101 for every £100 received will be invested at 21.2p until the close of business on 21st July, 1978. This discount will be borne by the Managers.

You should bear in mind that the price of units and the income from them can go down as well as up.

## Monthly Income Payments

If you have £2,000 or more to invest, Target can offer a well balanced portfolio of 6 unit trusts yielding an average gross income of approximately 8% p.a. which will provide an income payment every month. For further details, tick the box in the form below.

## Share Exchange Scheme

Target offers a convenient and cost efficient scheme whereby quoted shares which you hold may be exchanged advantageously for units in Target Special Situations Fund. Details on request.

included in the sale price of units. The Managers will pay commission of 1% to the qualified agents. THE MANAGERS reserve the right to limit the offer before the date of the offer. After the close of the offer units will be available at the daily price of the fund. Tax at basic rate will be distributed on 21st March and 30th September. Units bought now will qualify for the payment on 30th September, 1978. An annual charge of 2% of the value of the fund plus V.A.T. is deducted from the gross income of the fund. Telephone: 01-601 7533

## OFFER OF UNITS AT 21.2p EACH UNTIL 21st JULY 1978

Current estimated gross annual yield 4.81%

Target Trust Managers Limited, DEPT T.O., TARGET HOUSE, CATEHOUSE ROAD, AYLESBURY, BEDS HP8 3JL. If you wish to invest in Target Special Situations Fund, at 21.2p per unit, you must complete and return this form to Target Trust Managers Ltd. Enclose a cheque for £100 or more, or a bank order payable to Target Trust Managers Ltd. (Delete if not required.)

Unit further mature please request all income in further units. (Delete if not required.) Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Name: \_\_\_\_\_ Address: \_\_\_\_\_

Please tick the box for details of Target's Monthly Income Scheme ☐ Share Exchange Scheme ☐ Monthly Savings Scheme ☐

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## Finding a friendly stockbroker

## Stockbrokers' services

Firm	Suggestions for clients with assets of:	In-house trusts	Valuations per annum	Services offered: Research material sent out	Management discretion offered
Grieverson, Grant	Unit or investment trusts	5	1.2	Limited	Yes
Hoare, Govett	Unit trusts	None	2	Limited	Yes
Laing & Crutchbank	Unit or investment trusts	2	1.2	Two-monthly circular	Yes
Greig (R. C.)	Equities or unit trusts	None	1	Monthly newsletter	Yes
Smith, Keen, Cutler	Unit trusts	None	2	Monthly newsletter	Not normally
Tilney	Equities or unit trusts	None	2	Monthly newsletter	Yes
Norman Colling	Not interested	None	2	Occasional circulars	Yes
Foster & Braithwaite	Unit trusts or equities	None	2	Three-weekly newsletter	No

HAS THE stockmarket really become less popular with the private investor?

Professionals and large institutions have increasingly overshadowed the private "punter" on the stock market, while building societies, various forms of National Insurance and a galaxy of investment vehicles have been grabbing the lion's share of our available spare cash.

Many stockbrokers, however, are now reporting some pick up in the level of their private business. And, without suggesting a return to what was seen the heady days of the early 1970s, one does detect a more optimistic spirit in the air.

It seems an opportune moment to test the warmth of stockbrokers' feeling towards their private clients. So we questioned three of the big London brokers, three of their provincial counterparts, and two of the small firms named by the Stock Exchange as willing to take private clients, about their attitudes. Not surprisingly, perhaps, the response from this small sample was enthusiastic. It would, no doubt have been equally enthusiastic from most of the other 250 stockbrokers whose opinions - for practical reasons - we have not canvassed.

Even if you shop around, you are unlikely to find dealing costs very much from stock broker to stock broker. Most will charge the Stock Exchange minimum transaction fee which is 27 for equities (£4 for gilts), or commission at 1 1/2 per cent (about half this for gilts). Stamp Duty (currently 2 per cent of the value of the purchase - nothing for gilts). Contract Stamp (maximum of 80p), and VAT at 8 per cent on the commission are also payable.

The Stock Exchange lays down financial and professional requirements for its members. All stockbrokers are required to be "financially sound," and now there are certain academic qualifications which have to be met. There are, however, no general rules on what services stockbrokers should

provide for their personal private clients. Others, however, are not so considerate. It is true that the small investor is relatively expensive to service. But there is no justification for the way some firms sit on quite large portfolios, providing little or no advice and simply waiting for the uninformed phone call to put

the column headed "management discretion" refers to the firm's attitude to who makes the investment decisions. Most prefer to have discretion - to be left to get on with managing the clients' money. Clearly, firms described as "limited" can provide an equally valuable but less easily quantifiable service over the telephone. Valuations will obviously be more regular if a client insists, although he (or she) might have to pay to invest can obtain a regular, personal service. If you fall into this category and are not getting what you feel you are entitled to, you should not be afraid to change your broker.

son Place, Birmingham, other office, 52, Cornhill, London) claims that 40 per cent of its business is from private clients. Investment minnows will not be ignored, though they will almost certainly be directed towards a reputable unit trust. The firm's current thinking is against accepting discretionary status, though there are certain circumstances where it will be exercised. "We do feel that most of the people who come to the market do so because they have a personal interest," says partner Colin Smith. Flexibility seems a keynote here, with quarterly valuations and daily telephone contact available on request.

Tilney and Co. is a moderately-sized Liverpool broker (address: 285, Sefton

House, Exchange Buildings, other offices: London and Shrewsbury) founded around the middle of the last century, in which half the 20 partners are committed to private business. Tilney claims to devote equal attention to all categories of customer, taking the view that smaller clients demand an even more responsible approach since mistakes are proportionately more costly. The firm does not discourage small individual holdings of about £1,000, and points out that many unit and investment trusts, although theoretically spreading the risk, have not performed well. The research department looks at well over 100 companies in six sectors and also provides its own charts service.

Norman Collins and Co. is a very small and relatively new by many of late, but a useful London firm (address: 65, Link when times get tough, London Wall) with two partners, five associates and two "client getters." Management is not official policy. Business is highly personal and clients. Clients of all sizes are all investors will get a chance to know most of the team face to face. Altogether Collins only has about 1,000 clients and most of these are of modest means. The £1,000 bargain is of no interest to the firm. One of the partners notes: "We are only prepared to lose money for people we know."

Foster and Braithwaite (address: 22-23, Austin Friars) is a small London broker, founded in 1825, with about 8,000 private clients. Much of its business derives from intermediaries (banks, solicitors, companies.

## AUSTRALIA LOOKS AS GOOD NOW AS AMERICA DID IN JANUARY.

While many investors' eyes have been fixed firmly on Wall Street, we have also been taking a look down under.

We believe that Australia could be the next centre of attention.

The land and sea are yielding new strikes of copper, silver, zinc, diamonds, oil and gas. The country is rich in uranium. There is a well-established mining infrastructure, and the government is committed to the early exploitation of all natural resources. Furthermore it is encouraging investment from overseas.

So even if the ripples from America's recovery are not immediately felt across the Pacific, a period of steady growth seems likely.

Our Unicorn Australia Trust is well-placed to share in this growth. It is the largest unit trust specialising in Australia.

The Trust's aim is to obtain long term capital growth by investing in a spread of Australian companies and some British companies with Australian interests. Mining and energy-related stocks make up the bulk of the portfolio.

Its performance over the first half of this year has pushed it into 13th place out of 357 unit trusts, according to *Planned Savings* magazine.

So although we're not suggesting that America has lost its attraction, we think that a stake in Australia could make a lot of sense at the moment.

You should remember that the price of units and the income from them can go down as well as up. You should regard your investment as long term.

## HOW TO INVEST

You can invest in Unicorn Australia Trust with a lump sum of £250 or more. Or, if you wish to invest on a regular basis with tax relief, you can make a monthly payment from £10.30. Please fill in the subscription form below.

There are two kinds of unit: **Income Units:** distributions are paid half yearly on 1st February and 1st August after tax at the basic rate.

**Accumulation Units:** the after-tax income attributed to these units is automatically retained within the Trust to increase their value. There is no initial service charge when income is re-invested this way; it accordingly provides an economical method of investing. The price difference reflects the accumulated income.

The offer prices, which can change daily, were 81.9p per accumulation unit and 64.5p per income unit on 14th July, 1978 with an estimated gross yield of 1.80%. First payment to new investors in income units will be 1st February, 1979.

Any branch of Barclays Bank can give further information and advice.

Prices and yield appear daily in the *Financial Times* and other national newspapers. The offer prices include the initial management charge of 2% and there is a half-yearly charge of 3/16% plus VAT. Commission at 1 1/2% is paid to authorised agents, but not in respect of Barclays purchases. You can sell back units on any business day at the bid price ruling when your instructions arrive. Payment will normally be made within seven days of receipt of the renounced certificates.

Managers: Barclays Unicorn Limited, Member of the Unit Trust Association. Trustees: Royal Exchange Assurance.

## BARCLAYS UNICORN AUSTRALIA TRUST.

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Summe (Mr, Mrs, or Miss) \_\_\_\_\_

(Block capitals please)

Lump Sum Investment ☐ If we wish to invest (Minimum £250) £ \_\_\_\_\_

If you wish to purchase these units through your Barclays account please fill in your Barclays card number here. \_\_\_\_\_

If we understand that units will be bought for me/us at the offer price ruling on the day of receipt of this application. A contract note showing the number of units purchased will be sent to you. Certificates will be posted within six weeks. I/we declare that I am/we are not resident outside the Scheduled Territories nor acquiring the units as the nominee(s) of any person(s) resident outside those Territories. If you are unable to make this declaration, it should be deleted and the form lodged through your bank, stockbroker or any other authorised depository. In the case of joint applications all must sign. This offer is not available to residents of the Republic of Ireland.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Regular investment with Life Assurance and Tax Relief. If you want details of the Barclays Life Assured Savings Plan, investing from £10.30 per month, please tick here ☐

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## PROPERTY

# Riviera—English style

BY JUNE FIELD

"THE HILLSIDES dotted with white villas, the clear blue sea, luxury yachts at anchor in the harbour . . . you could be on the Mediterranean," claims Torquay's guide book, which with Paington and Brixham form the Borough of Torbay.

Well-agreed, although the skies could be bluer, and the sea warmer. But yachts of all sizes can be seen around the coves, palm trees shade the public parks and gardens, and the sands are as white as any in the South of France, even if the beaches aren't topless.

Englishmen returning from the grand tour were inspired to build houses in imitation of Mediterranean villas, and although many remain, one has only to walk up the hills behind the Imperial Hotel and Torbay harbour to see the numerous apartment blocks that have replaced the grand private houses at the top of Lincombe Hill. Lyncombe Crescent stands in place of Halden Manor House, and is a pleasing curved block with stepped terraces, set in pine woods with terraced sea views. All the flats sold quickly, and re-sales are starting to come up. Currently on offer at £25,750 through the agents, Bettsworth's, 29 and 30 Fleet Street, Torquay, is flat 1, with two bedrooms, two bathrooms,

wide balconied living-room, and garage. Bettsworths are also handling a holiday home complex in a sea and country sun-trap setting at Sladnor Park, a 50-acre private estate at Maidencroft, within walking distance of the beach. Sladnor Park manor house still stands, converted to holiday flats, while 15 two bedroom chalets, built in 1970, are being offered for sale fully furnished at £3,850 each on 99-year leases with a £200 annual ground rent for the first five years.

This includes the use of amenities such as heated swimming-pool, restaurant and so on, and a management service looks after the renting for you, taking on the chores of cleaning, laundry, repairs, etc. Illustrated leaflet from Barney Bettsworth, telephone 0803 (Torquay) 28171.

In North Devon an attractive family or retirement home is The Old Rectory, Ashford, Barnstaple, whose history has been traced back through the parish register to 1732. The Rev. J. Blackmore, rector of Ashford in 1845, lived there for 13 years, and his son, novelist R. D. Blackmore, lived there for 11 years (1895-1900) immortalised in the area in Lorna Doone some 25,750 through the agents, Bettsworth's, 29 and 30 Fleet Street, Torquay, is flat 1, with two bedrooms, two bathrooms,

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This includes the use











## HOW TO SPEND IT

by Lucia van der Post

## Would you believe, it's summer

NOBODY needs me to inform them that this just be just about the worst British summer for years. My mother-in-law in the country tells me that she's only used her swimming pool twice: Wimbledon had rain almost every day. Apart from one golden week my impression of this summer is one of dank, grey dampness. So the big female fashion problem is what on earth do you wear on our feet when there may be downpours one

moment and some sticky grey weather the next? Just how is the ordinary woman in the street coping? I asked our photographer, Ashley Ashwood, and Christine Burton, to find out one typical grey and damp Monday morning. They photographed at random in two of London's most elegant shopping streets. The results, I think, illustrate the problem.

If you only saw the photographs and were told they came from only one city I

think most people would be quite bewildered as to which one it might be—anywhere from Athens to Vladivostok might seem to fit the bill. If you want to survive somewhat better than most of the subjects of our photographs did, you might take advantage of the many shoe sales currently on to buy at lower prices a full range of footwear, designed to cope with all the vagaries of that famed villain of the piece—the British weather.

SHOE sales are currently on all over the country and your local paper is the best guide to what's happening in local stores. Here are some of the dates of the shoe sales at the best of the London shops. In general, prices are between a £ and a £ less than usual.

**Already started:**  
Chelsea Cobbler at 184 Fulham Road, SW10, and 66 New Bond Street, W1.  
Midas (for another 2 weeks) at 38, Hans Crescent, SW1, and 72, New Bond Street, W1.

Sale shoes from £3 to £28.  
Rayne, 152, Regent Street, W1. Sale lasts until mid-August.

**Starting today:**  
Shoe departments in Harrods and Harvey Nichols of Knightsbridge, SW1, are a good place to find shoe bargains.  
Harvey Nichols have Rayne shoes reduced from £41 to £24.50, Ferragamo classic walking shoes at £25 (from £44), and Amali sandals at £17.50 (from £25). Also

Charles Jourdan après ski suede boots at £32 (from £48). Harrods have reduced Rayne and Kurt Geiger shoes by a £ to £, and their own sandals are down from £12.50 to £6.

**Starting soon:**  
Russell and Bromley—on the 22nd July for 3 weeks at 24, New Bond Street, W1, 77 Brompton Road, SW3, 81, Knightsbridge, SW1, and all provincial branches. Lots of sandals and last autumn's boots. Canvas shoes from £5.99.



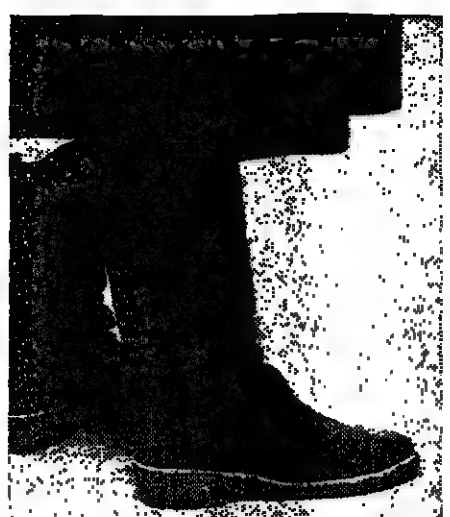
An appeal



Oh! my bunion



Strap happy



Destination Moscow?



Can't wait to put me feet up



Straight-laced

HOSE WHO are in touch with the world of fashionable interior design have been saying for some time that the soft, rustic look would soon begin to give way to influence from the East (what we do with it our flowered wallpaper, our tripped pine dressers and the their appearances of the rustic look is, I suppose, our problem).

I don't think most people will change their homes dramatically overnight, as this is not how fashions in the home happen. What I do expect to see is a gradual change in emphasis, away from the whole crowded, rustic, cluttered look towards a more sophisticated, refined and

## A hint of Eastern Promise

simpler use of line and colour. These two pictures show a little of the changing mood. Below right is a collection of work by two girls who have put together an exhibition called "Co-ordinated Pots, Blinds and Cushions" for Atmosphere, a shop devoted to home accessories, at 148 Regent Park Road, London, NW1. The total look is very calm, very simple, very Eastern.

Alison White uses plain silk, way from the whole crowded, rustic, cluttered look towards a more sophisticated, refined and

handpainted on to the silk sections. Alison White uses mainly soft pinks, greens, creams and yellows. There are three main themes in her work—Japanese, Persian and geometric. Besides the cushions (the prices of which range from £12.75 to £24.00) she also makes screens and blinds with the same motifs. One screen can be seen in the background of the picture—about 5 feet tall and about 5 feet wide, the frame is of black lacquered wood, the silk is handpainted in creams, blacks and browns; it

costs about £200.

The porcelain pots are all by Christine Ann Richards and seem to me to have a very still, Oriental mood about them. There are several different glazes—white crackle, black, duck egg blue and matt white. Prices range from £6 to £25. Below left shows how Osborne and Little, a company which is always close to the pulse of 304, Kings Road, London SW3, sees the coming influences. They have just launched a brand new range of screen-printed wallpaper and fabrics. They

have deliberately avoided "the current trend towards small 'background' prints and have produced a collection of bold and exotic designs in strong, vivid colours."

I dare say my sense of geography isn't very accurate but the overwhelming impression they convey to me is one of the East—but the East in its lush, more vivid mood. The range is on sale now at Osborne and Little itself but will be generally on sale at good quality decorating shops throughout the country from September. Wallpapers go from £8.50 to £17.50 while fabrics from £8.50 a metre to £100 per cent cotton are £8.00 or £8.50 a metre.

## Quilting to order

SOME readers may remember that I wrote about The Quiltery a year or so ago. Based in Norfolk (the exact address is The Quiltery, Tacolneston Hall, Norwich, Norfolk NR16 1DW) it has been in operation for about two years and the chief output is kits. Though there are many patchwork kits on the market those produced by The Quiltery are more unusual than most.

For instance you could make your own patchwork short apron, or waistcoat, tea-cosy (this looks especially charming), a quilted purse, a handbag (ideal for carrying knitting, papers and other travelling impediments) and, most unusual of all, a pair of baby's booties. The largest items available in kit form are the cot quilts. Prices are very reasonable—for instance a cot quilt is £8.00 as is the quilted waistcoat kit, while the quilted baby bootie kit is only £2.00. Everything except needle and thread needed to make up the finished garment is provided in

the kit, including handles for the handbag, wadding for the tea-cosy and so on.

For those who love patchwork but don't fancy doing the work it is also possible to buy the things ready-made. While the kit form of the cot quilt is £8.00 it could be bought ready-made for £24.00. Similarly the kit for a cushion cover is £5.00; ready-made it is £12.00.

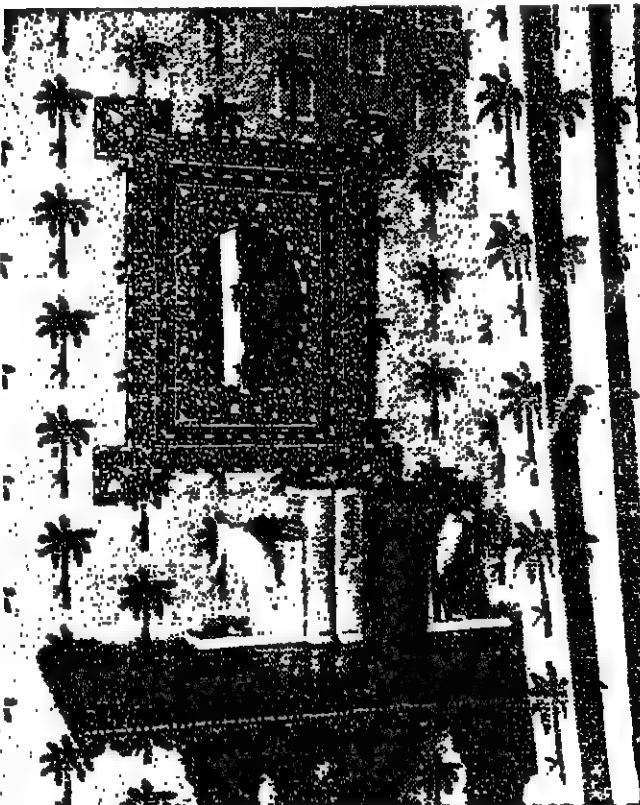
When I first wrote about the kits I didn't feel the instructions were as clear or as full as they might have been but The Quiltery took note of my comments and have now enlarged and expanded them.

If you fancy doing patchwork from scratch they will also supply template sets in 12 different traditional designs—like the famous Bear's Paw design, Carpenter's Wheel, Baby's blocks, Spool, Goose Tracks and so on. All come with instructions and illustrations on how to put the different shapes together to achieve the desired pattern.

Another new service that The

Quiltery offers is that they will do quilting, charging by the metre, for readers who don't have the machinery or the patience to do their own. The service takes three weeks. The Quiltery add all the wadding and backing and the pattern they use is a 2 in diamond. They can cope with any fabric up to 48 in wide and the price is £2.50 per metre, with a minimum order of 1 metre.

The Quiltery has now found retail outlets all over the country—mainly in small craft, design or general interior decorating shops but they do include some large shops like Bourne and Hollingsworth in Oxford Street, London, W1, the Design Centre in London and the Scottish Design Centre in Glasgow. Fenwick's of New Bond Street, London, W1, and Brent Cross, and Heal and Son of Tottenham Court Road. Anybody who has difficulty finding a local shop that stocks their products is welcome to write directly to The Quiltery who will be happy to sell by mail.



## Lively birds

## Sure fire

I'VE BEEN to many a barbecue where there's been an embarrassing hiatus while the host tries to light the fuel—the trouble is that since the barbecue is not a national way of life, most people haven't yet learned how to handle the event efficiently. Certainly lighting the fuel does take know-how and it also needs to be done a long time in advance so that it becomes really hot.

One of the best ways of lighting the fuel is by using a poker, though this does mean that you can't use it too far from the electricity supply. This poker has a 15 ft heavy duty lead and operates off 240 volts; its main advantage is that you don't need to use extra fire-lighters or risk dousing the fuel with paraffin (as I've seen done)—you simply plug it in and within five to 10 minutes the fuel will be fully alight.

I wouldn't recommend it for those who just occasionally go in for a barbecue for at £14.95 + 75p (p+p) it is a purchase to think about. However, as more and more people eat outside more often it could become a practical, much-used aid. Buy it by post from Mister Lewis, 82, High Street, Walthamstow, London E17 7LD.

FM OLD enough to remember when chicken was considered a real treat. If somebody wanted to give you a special meal as a child, nothing was thought better than an old-fashioned roast chicken complete with all the trimmings. Nowadays chickens don't seem the same and it certainly doesn't cross my mind to think of serving chicken as a feast. It has become one of the cheapest meals and the thing I turn to when I'm running out of housekeeping. For this reason most of us need to find more interesting ways of dealing with the dull bird.

Buxted Poultry have recently started a series of recipes designed to inspire us to do something "different," and they have just produced their second leaflet on chickens (the first one was phenomenally

successful as was the second one dealing with turkeys).

This leaflet aims at dealing with many of the new methods of cooking that have recently arisen—slow cookers, spit-roasters, barbecues, boiling bags and microwaves.

Methods are carefully explained, timings are given and new ideas are offered (for instance, cooking chicken in a paper or foil parcel, marinating and so on). So if anybody is feeling desperate for some new ideas when faced with yet another chicken to cook—send off for Buxted's free leaflet. All they ask in return is that you send a stamped, self-addressed envelope, measuring no less than 22 cm by 11 cm (or 8½ by 4½) to: Buxted Advisory Service, Alembic House, Albert Embankment, London SE1 7UB.

## Herbal lore

ANY ENTERPRISE that has anything to do with herbs has reported a fantastic growth in interest from the public in general. After years of synthetic of all sorts many people are turning to herbs not just for cooking purposes but also to ease tension and to help send them to sleep. I'm always very chary of expounding on the medicinal qualities of herbs but undoubtedly herbal teas do seem very soothing and many of the associated products are charming.

The Herb Farm at Broad Oak Road, Canterbury, Kent, consists of over two acres of herbs all nurtured on a bank overlooking the River Stour. People can visit the farm at any time every day except Sunday but advance notice is appreciated for large groups. There are always people there who know about herbs, who can advise on

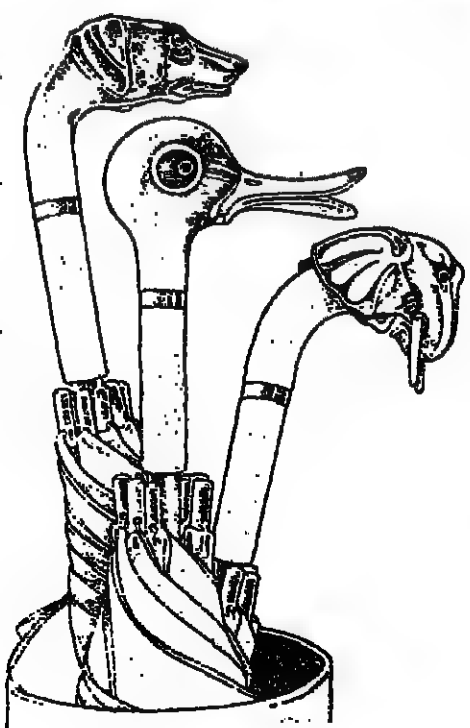
which to grow, which to use for what purpose, and so on. There's a herb shop where up to 500 different medicinal or culinary herbs, plants and seeds can be bought. If you can't get to the shop write for their mail order list which states clearly which plants can be sold by post.

However, if you can visit the farm it is well worth while. Besides the plants and seeds there is a selection of herb products as well—a sweet herb pillow is £2.25 (for the small size 8 ins by 12 ins) or £4.25 for the large size (18 ins by 12 ins). They sell many herb teas—wild bergamot, German chamomile, peppermint, spring nettle herb, and so on.

Meadow Herbs, which has for some time run a successful wholesaling business (their products are widely available in good gift shops and stores) and

now have their own shop at 47 Morston Street, London SW1 have always produced a pillow. They call it the car pillow and it contains a special blend of lemon verbena, peppermint, rosemary and thyme which is meant to help keep the car fresh and combat stuffiness and tiredness. These little car pillows cost £3.60 (13ins by 13ins) and certainly are charming and delightful-smelling.

Also for travellers Crabtree and Evelyn produce lovely old-fashioned books of soap leaves. Each book is shaped like a book of matches and could easily be packed into a tiny handbag. Each folder has ten soap leaves and there are three different fragrances—jasmin, sandalwood and rose. One leaf produces a good lather. They are 45p per book and are to be found in second department stores and gift shops.



Frank Whorley

## What a shower

AM SORRY to refer to the British weather was in one week but it's been preying on my mind lately and these very dashing umbrellas did seem just the thing to feature now. They are some of the nicest umbrellas I've seen and though they are perhaps a little on the expensive side to justify buying for oneself, one would make a superb present.

Made in Italy, they have natural wood handles which are carved into a number of different forms—a dog's head, jockey in cap and present for a racing man?, duck, or elephant's head.

The fabric is cotton canvas and there is a wide range of plain colours—dark red, dark blue or dark grey, tan, cream, beige or metallic. Those shown here (which are normal size) cost £24.50 each but there are others with carved handles almost twice the size (two didn't think they were quite so nice) at £28.50 each. Find them at Les 2 Zebres Leather, one of the new shops to open fairly recently in London's Covent Garden area, at 34, Tavistock Street, London, WC2.



## Branded for life

I ALWAYS felt that, apart from the fees, one of the worst things about sending children to boarding-school must be all that interminable sewing-on of name-tapes—which just goes to show how out of date I am. It is now possible to buy name-tapes that can be ironed on within seconds. Though the early experiments with these tapes proved that they saved a great deal of time the tapes didn't always stay on through many washes and the general wear and tear that children subjected them to.

Now Permark have introduced printed iron-on name-tapes that are so strongly bonded it is literally impossible to remove them. They, too, are just ironed on and there they stay through all washing, boiling or dry-cleaning processes.

Those who remember having to order name-tapes months before the child went to school will be relieved to hear that nowadays Permark can deliver five days after receiving the order. The cost is £1.15 per set of 50 name tapes, plus 10p for postage and packing. The name required should be written in capital letters and money with the order should be sent to Permark, 1, Station Grove, Wembley, Middlesex.

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## ARTS

## Les martyrs in Venice

Towards the end of September, 1975, there was an important international musical conference devoted to the work of the composer's native city of Bergamo. As part of the festive occasion, Bergamo also presented a concert version of a rare Donizetti opera: *Les martyrs*. Though that performance was less than ideal, still it was good enough to give the audience a taste of the piece and its merits, which obviously demand a fully-staged production. And so when the Teatro La Fenice announced just such a production as the major event of its current season, interest and expectation ran high.

To some extent these hopes were disappointed, last month, when *Les martyrs* reached the stage of the great Venice house. Again, as in Bergamo, the work itself proved enjoyable, elegant, varied. But—at least from a

## OPERA

WILLIAM WEAVER

musical point of view—the Venice production was largely inadequate, frustrating for the dedicated Donizettian. In the leading part of Pauline, the soprano Leyla Gencer was woefully inadequate. She sang Pauline's arias with a flat, unimpassioned, and even then the voice betrayed alarming evidence of wear. Now it is in shreds, and all the canny professionalism in the world cannot conceal its absence of power, its unsteadiness, its uncertainty of intonation. Her severe vocal problems have inevitably affected also Miss Gencer's acting, now reduced to a standard—and limited—repertory of gestures, appealing or repelling, generically applied to the drama.

The virtual abdication of this central role obviously created uneasiness among the other singers. Renato Bruson (another veteran of the Bergamo performance), generally and rightly considered Italy's finest Donizetti baritone, was clearly having a bad night, the voice straining from pitch on occasion, Otavio Garaventa, in the leaden tenor part of Polyeucte, did a creditable job. The young bass Ferruccio Furlanetto (Félix) sang rather anonymously and moved offstage, but he is nevertheless a promising artist. None of the cast displayed much feeling for the French language.

For *Les martyrs* is one of Donizetti's French operas; rather, it is a much-revised French version of the Neapolitan *Politeia* (composed in 1838-9) which Donizetti made for the Opera in 1840, with the help of the (unreliable) scribe, who adapted the Italian text of Cammarano.

bringing it more in line with the original Cornelle drama that had inspired it. In Italy, *Politeia* had been banned because of its religious subject; in Paris, *Les martyrs* enjoyed an immediate success, but slowly faded from the repertoire. Some years ago, the original *Politeia* was revived at La Scala with Maria Callas as Pauline. In both versions, the opera is important, though difficult to perform. It merits performance and rehearsal, and should be revived again. The young conductor Gianluigi Gelmetti, in Venice, did his best to underline the beauties of the score, but partly because of the singing and partly because of the limitations of the Fenice orchestra these days, he could give no more than a hint of the music's many felicities.

Visually, things went better. Pierluigi Fina designed a series of austere and appropriate sets, adorned with handsome statues (he could have omitted the plastic lions in the arena of the finale). The costumes, too, were sober and impressive. The producer Alberto Fassini moved principals and chorus simply and effectively. The opera is stately, and its statelyness must be accepted—as Fassini demonstrated.

In Milan, meanwhile, as La Scala's long season continues, new productions alternate with important revivals. Among the latter, the most recent is the Visconti production of *Il trovatore*, originally created for La Scala's visit to Moscow in 1964 and seen afterwards in Milan for three seasons between 1969 and 1971. No doubt a number of Visconti touches have disappeared from the staging over the years, but now seen again, it proves durable and effective still. The designs by Nicola Benois are realistic, but not pedestrian; the sets are grim and massive, at times almost dwarfing the human actors. At other moments—the room in Castello, for example—the space is virtually abstract, throwing the human situation into high relief.

## Music in stately homes

The Scottish Baroque Ensemble's annual series of music in Scottish country houses continues this year with concerts at Mellerstain, Berwickshire (August 8), Borthwick Castle, near Gorebridge (August 11), Innes House, Elgin (September 2), Marchmont, at Greenlaw in Berwickshire (September 16), Winton House, near Edinburgh (September 17), and Drumlanrig Castle, Dumfriesshire (September 24). Apart from the afternoon concert at Winton, which

Zubin Mehta, conducting the revival, seemed to share this grand view of the work. His reading was vigorous, rousing, but unhurried, without the big swinging tones—the Anvil Chorus, the soldiers' music—burst forth unabashed. The orchestra and chorus of La Scala were in top form, and the clear success of the evening derived to a large extent from them.

Only a few hours before curtain time, one of the scheduled stars—Sherrill Milnes—announced his indisposition. The Spanish baritone, Vicente Sardinero, was flown to Milan to replace him, and against all handicaps he was moving. Di Luna. Under the circumstances, his acting was understandably restrained, but he was always dignified, like his singing.

Florence Cossotto, as Azucena, is seldom restrained or dignified. This characterisation is now internationally familiar and never changes, whatever the production. The popular mezzo lured her way through the evening, gesticulating wildly and pouring out plenty of opulent (though not always perfectly-tuned) sound.

The tenor Ermanno Mauro and the soprano Eva Marton, newcomers to La Scala, gave good, sensible performances. Miss Marton's big voice cannot manage the trill in "D'amor sull'aria rosea," but it negotiated the agility passages successfully. Mauro sometimes abused his powerful voice, lapsing into a kind of falsetto but he was straightforward and agreeable in the more aggressive scenes.

According to the programme Mehta was using a new critical edition of the score prepared by the American scholar David Lawton. To the naked ear, not many alterations were immediately perceptible; but Lawton notwithstanding, in *Il trovatore* the dear old interludes high notes were still there, Mauro belted them out ringingly, and the audience rewarded him with equally ringing applause.

Today is back in full, and now that we have had a weekend or so to familiarise ourselves with its new format and its cast-changes, I for one welcome its restoration. The concept is right, surely. Any programme that goes out during the alibi time of 6.30-8.30 ought to be like a moving staircase, something continuous that you can step on and off at will, knowing that it will carry you efficiently from bedroom to breakfast to the long goodbye without interruption. No one is going to listen to the whole of it from beginning to end.

But this is precisely what I did the other morning for the purpose of writing this week's radio column. Last Wednesday was the day chosen and it proved to be a good one in that it was bursting

## RADIO

ANTHONY CURTIS

ing along in a department store, in a cemetery or at a wedding. Background noises are added to give a sense of actuality to the meditation which when not being facetious is conventionally pious. Still it was worth trying; and in general the weekly Thinkers do span a wide spectrum; as well as many shades of Protestant belief we have had a Buddhist, a Rabbi, a Roman Catholic, a Cabinet Minister. But when did last have an atheist, or someone who believes in good



Radio 4's "Today" team: Brian Redhead, Libby Purves and John Timpson

ness but not in a personal god? The neglect of this part of the spectrum does seem unfair to a vast section of opinion among the Radio 4 audience.

At any rate no one could accuse Wednesday's Today of being overloaded with trivialities. Indeed, I began by the end to feel rather unjustly that the straight reporter, Tony Wilkinson, was coming into the act too much. Sport was given the biggest slice of the remainder of the cake with one slot at 6.50 and another at 7.25. But here again it was a busy day with the Spurs Argentinean signings, the departure of Tony Greig from county cricket, plus the start of the Open Golf Championship. One of the features of the late unannounced Up To The Hour was regular time given to books, theatre and the cinema. I guessed that would go in the new Today and go it has; but there does seem to be a determined effort to include an arts story at least in each programme. Good.

As for humour we had to be satisfied with some off-the-cuff

exchanges between Timpson and Redhead which is, I must say, rather a good combination on the trusty basis of a straight man and a stand-up comic. But those two only coincide once a week. Some of the others do not seem quite so much at ease with the nonchalant microphone manner. Libby Purves is learning fast. Today's follow-up by Yesterday in Parliament (a repeat of the night before's Today in Parliament) which includes recordings made in the chamber of MPs and peers at work. These clips greatly enhance the report. A colleague who works in the House suggested to me that the presence of the microphones tends to distort the heckling and uproar by magnifying it, particularly in sessions like

Most of the musical events of the 903 Festivities take place in the Cathedral—concerts by the RPO, the Berlin Philharmonic Wind Octet, the Clerks' Choir, the Academy of St. Martin-in-the-Fields and a staged version of *Noye's Flinder*—but Opera 70, a semi-professional group whose home base is Chichester, use the Assembly Room in the 18th-century Council House as an appropriate setting for two performances of Handel's *Orlando*. The scale of the production is small, with a 12-piece orchestra and a pocket handkerchief-sized platform stage, but Michael Waite, Opera 70's artistic director, has not taken lack of space for an excuse to omit one essential ingredient of baroque opera, namely spectacle.

## HANDEL

ELIZABETH FORBES

Alan Saunders's classical septet has sliding panels that set on an inner stage for the masques and visions that are frequent occurrences in this magic opera, manipulated by Zoroastro, whose three geni act as supernatural stagehands. Once all attempt at realism is abandoned, the very genuine emotions of the four chief characters become even more powerful and moving, in the famous mad scene, for example, we see, as Orlando does, the faithless Angelica and her new lover Medoro surrounded by the Furies, and watch Angelica change, as she is transformed in Orlando's disordered mind into the Queen of the Underworld. If the Furies circle a little too strenuously in the first part of the scene, the image of the weeping Prosperina, whose harpsichord continuo,

tears an enraptured Orlando, is very striking. And Lampard sings Orlando with great sincerity, a firmly drawn vocal line and a finely articulated nose. She also creates Brian Trowell's English translation of the text in pleasing fashion—the other singers are sometimes guilty of straining words to tone. Angelica, whose desertion of Orlando causes his madness, is a less sympathetic role, but Margaret Southwell phrases smoothly and fluently, while a slight edge to the voice is quite in character. Ann Bray, handsome in Moorish costume and make-up, has her fine contralto in the rhapsodic Medoro, but she is the worst offender when it comes to diction.

Dorinda, the shepherdess whose love—for Medoro—is also rejected, but who takes her rejection in more philosophical manner than Orlando, has some of the most ravishing music that Handel, always prodigal of invention and inspiration, ever penned. Ann Brown sings it with the purity and delicacy it deserves. She acts the naive young shepherdess a trifle too coyly, but her face, particularly in the first where Dorinda refuses the comfort offered by Angelica and Medoro, is vividly expressive. Michael Macleod, a frequent impersonator of Zoroastro, whose role in Handel's Italian opera, *Unsern*, is a most grateful bass, sings the role with a satisfying proportion of the dramatic and comic elements. The production is discreetly employed, envelops the repeats, Dautan Crammer, who conducts, sets a steady pace, keeping the basic pulse of the music, healing change, as she is transformed in Orlando's disordered mind into the Queen of the Underworld. If the Furies circle a little too strenuously in the first part of the scene, the image of the weeping Prosperina, whose harpsichord continuo,

## SALEROOM

ANTHONY THORNCROFT

AFTER THE excitement of Thursday when an unregarded painting of Bonbus sold for £80,000 a sale of lesser importance at Christie's yesterday contained two successive surprises, both being bought by the same anonymous purchaser.

The Adoration of the Shepherds by Noel-Nicolas Copey realised £24,000 as against a pre-sale estimate of £10,000 to £15,000. The Angel Appearing to Tobias, by Carle van Loo, sold for £22,000 compared with an estimate of £2,000 to £3,000.

The prices reflect the renewed interest in French painting of the 18th century, particularly evident since the sale of Meunier a year ago.

The auction, which totalled £521,880, contained 246 lots of which just over a third had been sent from abroad for sale. Thirty-six were the work of the last German industrialist, Georg Schaefer of Schweinfurt, and between them, contributed £98,170 to the day's total.

Among other anonymous purchases, £5,500 was paid for a picture of panels with dead game by J. Ry, and £8,000 for a picture of a landscape by the school of Hothorse.

## BBC Radio London

20.00 News and Weather for Northern Ireland.  
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## WEEKEND CHOICE

SATURDAY: The first opportunity for addicts of TV cricket to discover whether New Zealand will do to England what England did to Pakistan comes in Grandstand's coverage of the first one-day international. (10.40 am on BBC1; highlights at 9.20 pm on BBC2.)  
"Hullabaloo" on the South Bank Show with its string of famous names—James Ivory, Peggy Ashcroft, Ruth Jhabvala—will have a job fulfilling all our expectations.  
SUNDAY: If it didn't occur when all sane people were still

Hullabaloo: ITV today

## TV Radio

Includes programmes in black and white only

## BBC 1

7.15-8.30 am Open University (UHF only). 9.00 Rastline. 9.15 The Flashing Band. 9.30 Goober and the Ghost Chasers. 10.00 Northcote. 10.25 Bugs Bunny. 10.30 Weather.

## BBC 2

7.40-8.45 pm Open University. 7.55 The Merry Widow. 8.15 The Flashing Band. 8.30 Goober and the Ghost Chasers. 10.00 Northcote. 10.25 Bugs Bunny. 10.30 Weather.

## ITV

7.15-8.30 am Open University (UHF only). 9.00 Rastline. 9.15 The Flashing Band. 9.30 Goober and the Ghost Chasers. 10.00 Northcote. 10.25 Bugs Bunny. 10.30 Weather.

## LONDON

8.00 am The Saturday Banana. 8.15 Sesame Street. 9.15 The Saturday Banana (Part 2). 10.15 The Monkees. 10.45 The Saturday Banana (Part 3). 11.30 Tarzan.

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## ARTS/COLLECTING

## Not so significant on Broadway

I want, I said, to see three significant plays across the spectrum of New York theatre. No problem, they told me, except I won't get in to *Ant's* Theatre of Chapter Two before 4 p.m.

Elizabeth Swados has tailored *Ant's* for Broadway, but by now she has reduced its significance. It is a musical about children who run away from home, and Miss Swados' music is some marvellous music for Andre Serban's La Ma productions, devised to cause her to have a special performance. The company must all be adolescents, from 11 to the early 20s, though mostly 15-17-year-olds. They put on a play show and on the night I got a rousing reception.

## THEATRE

B. A. YOUNG

But the play falls between the stools. Miss Swados has a gift for music and dance, but neither the music nor the dance Broadway quality. The score is ingeniously laid out for the small hand in the wings, stage and the big chorus of high voices that even would be loved; but the music seems

to have been written down to the youngsters, all diatonic Salvation Army tunes. The choreography seldom rises above physical jerks, yet even so the routines are carefully danced.

The script is worth more. It covers every imaginable reason for leaving home, apart from a basically bad character, a possibility Miss Swados does not acknowledge even when dealing with child criminals and visualises the various fates that lie in wait for the homeless young. All entrances are made from a kind of stage surrounding room, a telling analogy of the security of the freedom the kids must feel as they leave. It would be even more telling without the clearly unhappy caged pigeons on the set upstage.

Off-Broadway I saw David Mamet's *A Life in the Theatre*, which has already been bought for London. It is a two-hander for a mature player on his way down and a young player on his way up, and consists of no more than a series of incidents in the theatre illustrating their several careers. It is a splendid bit of reporting, the behaviour of the two men attentively observed in situations covering a vast tract of theatrical experience. They discuss shows just over. They exchange favours in the dressing room. They discuss their colleagues and their own lives. They forget lines. All the time confidence of the young man (James McDonnell) increases and that of the older (José Ferrer) lessens.



José Ferrer

Mr. Ferrer's playing is outstanding. He never lets the veteran's superiority diminish in the face of growing competition until the day comes when he hears the younger man whetting his voice on the Chorus's lines from Henry V and realises that the day is past when he will ever be able to do that again. The beautifully timed direction is by George Gutierrez. Significant? No. But enjoyable? Oh, yes.

Down, or up, to off-off-Broadway, *A Fierce Longing*, written by John Schneider for Theatre X of Milwaukee, is a fantasy on the life of the Japanese novelist Yukio Mishima. It begins at the end, when a leader of his private army, the Shield Society, makes an unsuccessful attempt to compel the Japanese Defence Force into a revolt aimed at re-establishing a return to the old noble ways of chivalry. His ignominious failure means only one thing: suicide by seppuku, or self-disembowelling. Then we go back to find out what it was that led Mishima to do such a thing, and what we

find, alas, is that he was a ridiculous man, no matter how good his novels may have been. His obsession with military glory (curiously conceived between 1942 and 1945) originated only with his homosexual desires for "rough trade," which developed into sado-masochistic fantasies of sacrificing young soldiers and sailors. He seems to have been the same kind of man as Ernst Rohm, the SA boss, only without the capacity for organisation.

All the same, director Sharon Ott has mined some pictorially attractive scenes from his life with her ingenious use of projection on movable screens, designed by John Kishline and Monica Enke. Ott, Kishline and Enke emerge three times as interesting as Mishima.

By way of a honne bouche, a late night show afterwards brushed away the cobwebs. My *Cup Runneth Over* is a sweet trifle by Robert Patrick (who wrote *Kennedy's Children*). It deals with the morning after Yucca Conklin, a girl punk singer, has unexpectedly made a great success when standing in for an absent star in her sweat-stained, T-shirt (not, as she indignantly explains to an interviewer, a tea-stained sweat-shirt). For five years she has shared a room with Paula, an unsuccessful writer, and Mr. Patrick demonstrates with much understanding how fame can destroy a cosy relationship like this in a flash. The script is as funny as it is sad, and the piece is stunningly played by Amy Wright as Yucca and Nancy Snyder as her roommate. The director is Marilyn Baum. I thought I even caught a faint hint of significance here at the Circle Repertory, a situation aimed straight out at its audiences.

## TV RATINGS

w/e July 9

UK TOP 20: (Homes Viewing m)	
1 Life Begins at Party (York)	15.63
2 London Night Out (York)	15.63
3 Charlie's Angels (ITV)	15.30
4 Criminal Minded (West)	15.30
5 News at Ten (Wed.) (ITV)	15.30
6 Winner Takes All (York)	15.28
7 That's Life (BBC)	15.25
8 Coronation Street (West)	15.25
9 Scouse Special (BBC)	15.25
10 Crossroads (Tues.) (ATV)	15.25
11 Cops (Wed.) (ATV)	15.25
12 Don't Ask Me (York)	15.25
13 Pink Medicine Show (LWT)	15.25
14 Crossroads (Thurs.) (ATV)	15.25
15 The Dark Secret of Harvest Home (ITV)	15.25
16 News (Sat.) (BBC)	15.25
17 Survival (Anglia)	15.25
18 Crossroads (Fri.) (ATV)	15.25
19 Kebab (BBC)	15.25
20 News (Sat.) (BBC)	15.25

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Joint Advertising Research (JICAR).

## New plays

Two new plays join the Aldwych repertoire over the next few months—Steve Gooch's *The Women-Pirates Ann Bonney and Mary Read* on July 31 (previews from July 28), David Mercer's *Countdown* on September 22 (previews from September 19) and a new production of Middleton's *The Changeling* on October 16 (previews from October 11).

The *Women-Pirates* is Steve Gooch's first play to be performed by the RSC. He translated *Man is Man* for the RSC in 1975-76.

## THEATRES THIS WEEK... AND NEXT

**HICESTER:** The *Amphitruos*: An atmospheric drama of the Henry James novel with Catherine Nesbitt as the old lady with a will. Opened Tuesday.

**SPACE:** *Julius Caesar*: A historical drama by Len Llewellyn. Opened Tuesday.

**HEATRE UPSTAIRS:** *Irish* and *English*: *Tea*: A new play in Fulham makes for an unconventional piece of fashionable violence. Opened Wednesday.

**HEATRE ROYAL STRATFORD:** *Land of Hope and Glory*: A new play in this friendly theatre for good-natured spoof in amateur theatricals. Opened Thursday.

A quiet time in the theatre. *Ant's* opened yesterday at the Shaftesbury. Its fifth West End production, *Ant's*, is a new musical anthology of the songs of Kander and Ebb gets the first of three Sunday try-outs at the Shaftesbury tomorrow. On Monday *The Prime Minister's Husband*, a new political comedy by

Eric Paice opens at the Churchill. *Brumley*, with Maggie Fitzgibbon, while the Tower of London is staging *The Yeoman of the Guard* starring Tommy Steele. The Open Air Theatre in Regent's Park moves away from Shakespeare to present a Shaw double bill, also from Monday. On Wednesday *Beyond a Joke*, a musical review, opens at Hampstead and the next night in Nottingham there is an adaptation of Jules Verne's *Around the World in 80 Days*.

Among the forthcoming productions are Paul Robeson, a new play by Philip Hayes Dean, which has been a great success on Broadway. It opens at Her Majesty's on July 27 for a six-week season with James Earl Jones repeating his New York performance as Robeson.

On September 12, Hubble Green returns to the stage in *Acc in the Hole*, a comedy by Michael Pertwee which starts a national tour at Norwich. Other dates include *Wolverhampton*, Brighton, Richmond and Nottingham.

The Editor Regrets, a light comedy by William Douglas Home, opens at the Greenwich Theatre on August 3 after a provincial tour. It is produced and directed by Anthony Royle who also appears in it.

The next new production at the Olivier Theatre in the National will be Edward Bond's *The Woman who Joins the Repertoire* on August 10. The songs are by Hans Werner Henze and among the cast are Andrew Cruickshank, Nicky Henson, Susan Fleetwood and Dawn Gurney.

Vanessa Redgrave will take the leading part in the second production of the Third Season at the Royal Exchange Theatre in Manchester. She will open in *The Lady from the Sea* on October 6, in a production directed by Michael Elliott.

Two new productions join the NT's repertoire in September: *Bernard Shaw's The Philanderer* (opening Lyttelton, September 7) and *William Congreve's The Double Dealer* (opening Olivier, September 27).

## Words of value

IT IS a source of some amazement in the collecting market how Sotheby's autograph and manuscript department consistently manages to dig out material for bigger and better sales. A two-day sale on June 24-25, of "Valuable Autograph Letters, Literary Manuscripts and Historical Documents" (one day I must try to discover the rationale which decides when a sale is "Fine," "Valuable," "Important" or "Highly Important") merits a lavish two-volume catalogue running to a total of more than 350 pages.

Sotheby's autograph and manuscript catalogues are always good reading. In particular the footnotes tend to a

ardonic humour in which I suspect the hand of Mr. Roy Davies, who runs the department. Of an oak gate-leg table that once belonged to Burns (a slightly odd and bulky item to find in a sale of manuscripts) it is noted that "The table may have been made as early as the reign of Charles II, although it should be remarked that styles of furniture were perpetuated much longer outside London than some care to remember."

The table is not the only unexpected association item in the sale. Lot 343 is a pair of steel-rimmed spectacles "Presented to Mr. Robert Browning by the Members of the Clayton Square National Temperance Society as a mark of their esteem"; and there is also a large pocket handkerchief belonging to the poet and inscribed, apparently by his sister, "R. Browning." Such bizarre mementoes are apparently not to be sniffed at (if that is not, in the present

Poor Carnarvon's stand on the Eastern Question drew a royal rebuke and rather long-lasting displeasure; "... the Queen must say that nothing can give her more pain than to see people who like Lord Carnarvon have possessed her esteem and respect, and for whom she has a sincere regard, take a view of foreign affairs, or rather one of Eastern affairs, and a line of policy which she must consider as most detrimental to the position of her great empire."

Happily by 1884 Carnarvon was dead and to rejoice, in his diary, that "The Queen was most gracious—it was an entire renewal of the old manner and apparently feeling—just as if the last six years had gone by and as if all cause for offence with me was entirely blotted out."

These eminent Victorians are also glimpsed in less public attitudes. Poor Wellington has a tiresome domestic mishap: "... My Cook got drunk tell down stairs broke his ribs and is dead; and I can give no dinners till I can get another." John Ruskin struggles not only with impending madness, but with his weakness for young girls whom he euphemistically calls "syphs." He tells a lady friend he has arranged a party to which "I've asked" two "syphs—a quite Greek one—not quite medieval date (therefore—and a little sister—I'm afraid I shan't get them—and perhaps it's the better for me... But I really hope you will enjoy yourself in spite of the Syph—from whom also I expect nothing but torture!"

Though the sale is outstanding as a panorama of Victorian society, it is not confined to the 19th century. There are a number of items from the Civil War: Fairfax writes from Selby and Prince Rupert from Cirencester. After the Restoration, the fugitive Richard Cromwell—poor Queen Dick—writes a series of poignant letters to his children, hiding himself behind such pseudonyms as "Cranberry," "Cranberry" or "Cranberry." The distresses of the exile even included noises in the head, in which "I took 5 dozen and 2 pills with a draught of sea tea pills in the morning & 3 at night as also I sneezed with the juice of white primrose. I have sent that also according to rule lett blood what shall I say? Naughty boys are not safe without the rod..."

A document of outstanding interest in the history of the theatre is a letter from the somewhat misnamed Master of the Revels, Sir Henry Herbert, demanding the right to censor plays at the Cockpit Theatre in 1650.

An equally wide variety of 20th-century autographs, ranging from Bernard Shaw to General Montgomery, includes a series of letters by Graham Sutherland, dealing with the execution of the famous Churchill portrait.

Repeatedly I was told "They (meaning his colleague in the government) want me out." But (and this is a paraphrase of the actual conversation) "I'm a rock" and at that the face would set in lines and the hands clutch the arms of the chair."

I like to think, though, that the special sense of irony of Sotheby's catalogues is most touched by the autograph note books containing "characteristic observations saved up for future use" by A. E. Housman, and containing such sly epigrams as "It is worse than false, it is true"; and "The rarest of sexual aberrations is chastity..."

## BRIDGE

E. P. C. COTTER

WITH TODAY'S DEALS illustrating declarer play at its very best, and I hope they will give much pleasure to you as they did to me. The first hand was played by Tim Seres, the Australian international:

N. ♠ K 7 6  
♥ A Q 7 6  
♦ A Q  
♣ 10 8 6 3

W. ♠ J 4  
♥ J 10 8 3  
♦ J 7 2  
♣ K 7 7

E. ♠ J 8 5  
♥ Q 5 4  
♦ K 9 8 6  
♣ Q 8 4

S. ♠ A 10 8 3 2  
♥ A 2  
♦ A 4 3  
♣ A 5 2

North opened the bidding with one no trump. South opened the spades and North raised to four spades.

## CHESS

LEONARD BARDEN

THE WORLD championship match between Anatoly Karpov, 27, of the Soviet Union, the underdog, and Viktor Korchnoi, 47, former USSR citizen and now stateless, is scheduled to start this weekend at Baguio City, a hill resort in the Philippines.

The stake is \$1,054,350. The match is split six-ways to the loser. Organizational costs are likely to increase the amount to be found by the Philippines Chess Federation to nearly £1m.

The new world champion will be the first player to win six games in a row. The match will not be played each three games but will be played each two games and the time limit is 40 moves in 2½ hours with 15 moves per hour thereafter.

The referee is Luthar Schmid, of West Germany, who also officiated in the Spassky-Fischer match in 1972.

Spassky match which ended with mutual angry complaints about unethical behaviour.

In addition, defeat for either side will be a terrible psychological blow to Karpov because his growing legend as one of the great world champions and as a successful Soviet sportsman will be broken, and to Korchnoi because of his belief that the world title is his destiny and his paranoia regarding Russian chess officials.

It is not beyond Schmid, a fair and careful man, and himself an experienced grandmaster, to smooth over the difficulties and see the match to a normal finish; but it won't be easy.

A further offboard factor which could affect the result is the difference in age between the players and their contrasting physical constitutions. Normally a 20-year difference in a world title match means a great advantage to a younger man; only in Boleslavsky v. Tal, 1961, did the older player win with a veneration difference and on that occasion Tal was seriously ill before and even during the match.

But Korchnoi, a survivor of the German siege of Leningrad in 1941-42, is clearly very fit and finished much fresher than his opponents in the qualifying matches for the title. Karpov is physically slight; he has played successfully through many hard international tournaments, but Korchnoi claims that the champion suffers from low blood-pressure and was near to exhaustion at the end of their 1974 series.

If none of the ifs and buts materialise and there is a normal chess match, what then? On the one hand, what then? On the other, it could turn out one of

but I have never brought it off. Incidentally, at the eleventh trick East should lead the Knave of spades, not the five. This sets the declarer more of a problem; because he is haunted by the fear that this may be a false card from Queen, Knave, and another.

Here, too, the declarer gave a masterly display:

N. ♠ A 9 8 2  
♥ Q 7 4 3  
♦ 8 5 2  
♣ 8 5 2

W. ♠ J 9 8 5  
♥ J 10 5 4  
♦ 8 2  
♣ 10 7

S. ♠ K 7 4 3  
♥ A 6 3  
♦ A K 6  
♣ A K 3

South dealt at game all and bid two no trumps, and North replied three clubs. Reassured by the rebid of three spades, North raised to three no trumps, and all passed.

West led the spade Queen to the Ace, and East rightly threw the ten. The declarer survived

the scene without any great enthusiasm. He had seven tricks on tap, and he could set up another if West had the heart King, but where was he to find a ninth? If West held three hearts to the King, he would duck one round to prevent dummy from making two tricks in the suit, and there was no time to play one of the minor suits to set up a third trick in it, even if he was fortunate enough to find it breaking.

There was just one chance, to find East with the King of hearts. At trick two, therefore, declarer led dummy's eight of hearts and ran it when East followed with the seven. West won with the ten, and the spade Knave was taken by the King. Now the Ace of hearts dropped East's King, another heart enabled South to finesse dummy's nine, cash the Queen, and claim nine tricks.

It makes no difference what card accompanies East's heart King, so long as it is doubtless. If he holds Knave or ten and covers dummy's eight, the declarer wins, ducks the next round of hearts in dummy, and later fineses against West's ten or Knave.

the great encounters of chess history: both grandmasters have been in outstanding form, and there is a potentially fascinating clash of styles.

Karpov prefers a classical strategic game, with emphasis on endings, in the tradition of Capablanca and Fischer, while Korchnoi is a fine exponent of double-edged and risk-taking play whose chess heroes include Lasker and Nimovich.

Thus the most likely course of the match is for Karpov to concentrate on accurate, technical chess, waiting for Korchnoi's occasional loose games; while Korchnoi will aim to sharpen the fight and reach unclear situations where Karpov is less convincing.

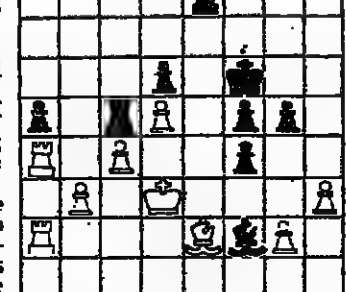
Most experts would expect a leading "classical" player to do well in a match against an opponent whose style, on a deep level, is not quite so sound. Korchnoi is not seen to it that way, and in a recent interview he described Karpov's style as "too simple... almost childish... quite primitive for a world champion."

Before the Reykjavik match in 1972 I felt sure that Fischer would beat Spassky barring temperamental outbursts; this time Karpov is favourite but there are more imperious and reasonable odds would be 4-6 on Karpov, 5-4 against Korchnoi. I look for a score like Karpov, 6, Korchnoi, 3 and hope there will be at most 15 draws. A match "crisis" whatever its nature, is likely to excite public interest but a battle of attrition lasting several months could permanently harm the popularity of chess. FIDE could come to regret the decision to reintroduce a time-limit concept to the world championship.

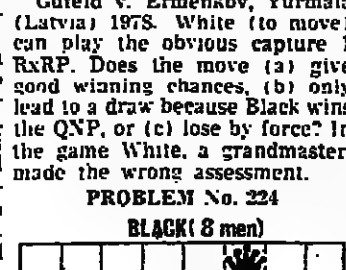
Solutions Page 12

## POSITION No. 224

BLACK (9 men)

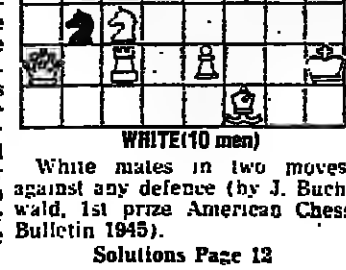


## WHITE (9 men)



Gufeld v. Ermenkov, Yurmala (Latvia) 1975. White to move. Can play the obvious capture 1 RxR. Does the move (a) only lead to a draw because Black wins the QNP, or (b) lose by force? In the game White, a grandmaster, made the wrong assessment.

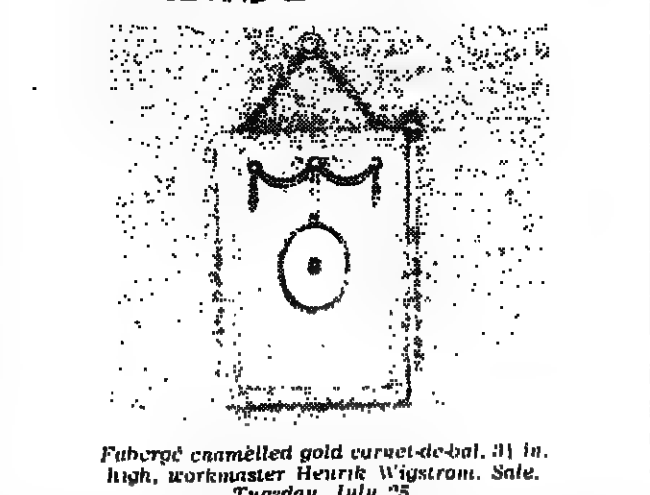
## PROBLEM No. 224



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EXPERIENCE AND EXPERTISE 349



To the uninitiated, the category "objects of vertu" is a baffling one, but once understood, almost more difficult to define are the boundaries which govern it. Henry Fielding in *Tom Jones* refers to "a great number of nicknacks and curiosities, which might have engaged the attention of the virtuoso"—a virtuoso in 18th century language standing for a connoisseur while "nicknacks" in this context might best be described as any items of excellence, worth or rarity, to avoid the implied triviality of its modern meaning. Tuesday's sale includes a carefully assembled collection of 18th century cowrie-shell snuff-boxes, as well as the more usual items in these sales such as fob-chains, cameos, vinaigrettes, patch-boxes and scent-bottles. In contrast to these small objects, a selection of chess-sets and another of decorative Islamic spoons is to be offered, while the Russian section contains bronzes, metal-work and a superbly elegant enameled gold carnel-de-bell by Fabergé. If none of the aforementioned items appeal, there is always the ultimate in unmythical "nicknacks", a gold snuff-box shaped as Napoleon's hat, complete with bees on the cover. For further information on Christie's sale of Objects of Vertu and Russian Works of Art on Tuesday, July 25th, please contact Mary Fielding at the address above.

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Saturday July 15 1978

## Uncertainty ahead

THE AGREEMENT by the nine members of the European Community to consider in greater detail a proposal for pegging their exchange rates more closely to one another got the UK financial markets off to a good start this week. Sterling rose sharply, especially against the dollar, and both equities and gilt-edged followed suit. These market movements are not altogether easy to rationalise. Although the proposal envisages some pooling of exchange reserves among the Nine, after all, it is not to be supposed that the risk of a run on the pound will become less of a restraint on policy than it is at the moment: were that the case, the risk of inflation would become greater.

Any support needed to maintain a semi-fixed exchange rate is bound to be subject to conditions, perhaps more onerous than those imposed by the International Monetary Fund. A closer alignment of currency parities implies a greater coordination of economic policies and conditions throughout the Nine, which no doubt why Mr. Callaghan, realising the competitive disadvantages of the UK and the hostile attitude towards the Community which is still prevalent among Labour's left wing, was less enthusiastic about the proposal than most of his colleagues.

## The Summit

But his reservations are shared, to a greater or lesser extent, by a variety of reasons, by many politicians and officials. It will be some time before the details of such a scheme can be considered and carried out. In the meantime, the Bremen Initiative is widely regarded as a promising start to the Bonn summit meeting which begins tomorrow.

That, too, may be a hopeful over-simplification. The Bremen proposal, like the more optimistic noises that have been coming out of Geneva this week about progress on the current round of international trade negotiations, may help the seven heads of government of the leading industrialised countries off to a good beginning in their efforts to encourage jointly the growth of world output and trade in order to bring down unemployment and check the trend towards protectionism. But they each have their own formidable political problems at home to deal with and they are not entirely at one even about the theoretical goals at which they are aiming.

The financial markets in London, at any rate, did not hold the momentum with which they

begin the week: the 30-share index has gone a little higher, but the dollar exchange rate and the index of government securities have slipped. This may seem paradoxical, since the economic indicators which mainly affect gilts have been reasonably good while the index of industrial production, which is of more concern to equities, is of doubtful significance.

## Inflation

The latest news of progress in the struggle against inflation, on the other hand, looks good. It was announced yesterday that the growth of the retail price index had fallen again in June to 7.4 per cent on a yearly comparison, and it seems quite likely that the index will continue to rise at around this rate until about the end of the year. Support for this view can be found in two advance indicators. First, the index of price increases notified to the Price Commission fell from a rise of 6.8 per cent to one of 6.0 per cent between May and June. Secondly, the indices of wholesale prices look reasonably promising. The index of output prices for the home market rose in June by only about 1 per cent, much the same rate as in recent months, while that of raw material prices was up by much less than usual, largely because of the strength of sterling.

At the same time, as was to be expected, the Government's latest package of measures — and the sudden burst of demand for gilt-edged stock which followed their announcement — has had its effect on the growth of the money supply. The banking figures for the latest month suggest that there was little change either way in this period, though they also suggest that the demand for bank advances from industry may be creeping up at just the time when the latest trade figures, though better, are still too affected by erratic items to have much influence either way.

The greatest uncertainty of all, however, which affects gilt-edged and equities equally, is the approach of a general election and the reaction of trade unions to the Government's next plea for wage restraint. The latest by-election results confirm the widespread feeling that the election will come in October. The White Paper on pay policy is expected within days. The union reaction to it, this time as last, will only become clear over the course of months.

THE Finance Bill completed its run through the Commons on Thursday night and will shortly become law. As in 1977, it emerged with a string of concessions by the Government, and several outright defeats, as a result of the lack of an overall Labour majority. The changes were considerable — and many are of great importance to the taxpayer.

But although the extent of the alterations was probably even greater than last year — itself a post-war record in these terms — the Government did have greater control over the proceedings.

There were no Labour defections in the Standing Committee, so that there were no defeats at this stage. Last year the Government was considerably embarrassed by the Rooker-Wise amendments laid down by two Labour backbenchers in Standing Committee which had to be accepted in modified form in the final Bill. This year the main effort of Conservatives in Standing Committee was to convince Mr. John Pardo, the Liberal, and Mr. Enoch Powell, the Ulster Unionist, to back their amendments. When this looked like happening, the Government headed off potential opposition by promising concessions. The Conservatives claim that there were more than 100 new clauses and amendments, many of them exacted under pressure of this kind.

However, the biggest changes were made on the floor of the House. The Conservatives managed to wreck the strategy of the Chancellor's Budget by lowering the 84 per cent basic rate of income tax to 33 per cent and raising the threshold at which higher rates apply from £7,000 to £8,000.

The Government's attempt to recover the revenue lost through these changes — estimated at £440m in the 1978/79 financial year — was obstructed by the Liberals. Instead of increasing the National Insurance Surcharge by a proposed 2.5 per cent, the Government had to make do with 1.5 points, bringing the overall surcharge up to 3.5 per cent.

This will bring in only £300m this year and the Government has announced that it will review the position in November, when it will decide whether or not additional measures are required to cover the shortfall.

Although other changes were not introduced in so dramatic a manner, several of them make a sizeable impact on tax demands in specific areas. And as a general rule all changes were beneficial as far as the individual taxpayer was concerned.

Among the key alterations there were several concessions to help small and family businesses and trusts, an extension of the period before Development Land Tax comes fully into effect and further tax relief for

those self-employed working overseas. Tax on redundancy payments was reduced, the new profit-sharing legislation was eased and there were moves to reduce elements of sex discrimination embodied in legislation.

Measures that were defeated included an attempt to make VAT bad debt relief less potentially destructive, moves over scholarships and consortium relief and a Tory attempt to stop the Government tackling organised tax avoidance retrospectively.

## Income tax

The 1 per cent cut in the standard rate of income tax will cost the Exchequer about £340m in the current financial year and means a reduction in individual income tax of up to £80 a year. This figure will be gained by taxpayers earning about £8,000, after which income level there will be no additional benefit.

The Tories' second major amendment — raising the higher rate threshold — brings relief of as much as 4 per cent for taxpayers earning £10,000 and above. The cost of this change is estimated at £105m in the current financial year and the

greatest benefit will go to those earning between £15,000 and £25,000.

The main reason for this is that the raising of the threshold to £8,000, because of the way the relevant clause is drafted, raises all the tax bands above it by £1,000. So whereas the original income level at which the top 83 per cent rate of tax began was £23,000, it now stands at £24,000.

As there is always a considerable delay before tax tables incorporating changes can be introduced, it will not be until November 9 that the new rates will come into effect. So the tax rebates consequent on the change will not be paid until then, when an estimated £300m will be injected into the economy.

The approximate level of the rebates will be £870 for a married man with no children earning £4,000 a year; £17 for one earning £5,000; £104 for someone on £10,500; and £250 for one on £20,000.

## Small companies

A considerable number of detailed amendments extend the availability of the reliefs which the Chancellor had introduced for small businesses, to encourage their operations and to help preserve them through the generations.

The capital gains tax relief for gifts of business assets operates by holding over the tax liability until the recipient of the asset himself disposes of it. Although it applied to shares in almost all trading companies, forestry companies were ac-

centually left out — this has now been corrected.

Retirement relief is the somewhat misleading name of the capital gains tax relief for those over 65 who hand on their businesses or family companies, whether they retire at the time or not. The relief had already been increased in the Bill as originally tabled so as to exempt the first £50,000 of gains (or £10,000 per year of age over 60, for those who gave their businesses away before reaching 65).

There are two important new amendments. The first brings into the scope of the relief shares in companies held 51 per cent by a family, and in which the donor holds 5 per cent. The previous levels were 75 per cent and 10 per cent. Secondly, a measure of relief is now to be available in cases where the asset concerned has not been held for the full period of 10 years which was previously a requirement. After one year of ownership, relief is available on one-tenth of the gain and each additional year provides a further one-tenth exemption.

The relief given where loans made to traders become irrecoverable, or where a guarantor

has to pay up because such a trader defaults, has been extended to professions as well as to trades. It is also to be available where the loan is made to a company in a group which is not itself a trading company, but which lends it on to another group company which is.

## Tax and EEC

Clause 63 of the Bill was a provision designed to allow the British Government to comply with its EEC obligations to exchange information concerning UK taxpayers with the authorities of other countries in the Community. The Revenue explained that it already had similar and comprehensive provisions in Double Tax Treaties with all the other EEC states, but it has nevertheless been forced to accept two restrictions on the way in which this information can be passed across. The recipient must accept the same confidentiality conditions that the Inland Revenue itself operates under, and the information can be given only where it is needed by the other state for its own tax and tax enforcement purposes.

## Development land

The Opposition obtained acceptance of an amendment which puts off for one more year, to April 5, 1980, the date at which the 80 per cent rate

of Development Land Tax becomes fully effective. Until then the present position will continue, namely that the first £150,000 of chargeable gains will be taxed at 66 2/3 per cent, and only thereafter will the higher rate operate.

## Profit-sharing

The profit-sharing provisions put into the Bill at the behest of John Pardo have been quite substantially amended. Many of the committee-stage changes were simply technical — a subject as complex as this was bound to prove a nightmare for the draftsman. Two major changes were made at the report stage, however. Shares can now be released to the employee without any charge to tax after 10 years instead of the original 15, and the amounts chargeable between five and seven years is 50 per cent and after seven years 25 per cent. Secondly, the original proposals allowed the shares to come out free of tax if the employee died or retired through ill health or was made redundant. He could not get them tax free at statutory retirement age, but had to wait the necessary number of years thereafter. He is now to be allowed to take his shares tax free at that time.

The Government accepted a Conservative amendment at Standing Committee stage to bring the self-employed into line with employed people when they spend time working abroad.

## Work abroad

The Government accepted a Conservative amendment at Standing Committee stage to bring the self-employed into line with employed people when they spend time working abroad.

Last year the Government gave tax concessions to employees who worked 30 days or more abroad, and this year's Finance Bill gave the same concession to self-employed people, although for them the qualifying period was extended to 60 days.

The Conservative amendment brings the qualifying period down to 30 days, which means that for any period longer than this self-employed individuals will be able, for tax purposes, to deduct 25 per cent of their profits. The clause, which entails a considerable staff burden on the Inland Revenue, will result in a total gain for taxpayers of about £10m. in a full year.

## Redundancy

The Government introduced a clause to double the threshold before tax is payable on redundancy payments to £10,000. The intention of the increase was to enable workers to change jobs without having to pay large amounts of tax on their redundancy pay. It follows a series of large-scale redundancy announcements by groups like British Steel, British Leyland and Swan. In which individual payments are expected to approach £20,000.

In practice, the threshold of £10,000 means that in many cases no tax at all will be incurred on pay-outs as high as £19,000, due to the way redundancy pay is assessed. This is because the "topping" provisions assess the whole of the additional payment above the threshold at the tax rate into which the first sixth of this falls.

## Discrimination

A couple of changes removed elements of sex discrimination in current legislation. The main alteration was for PAYE repayments after the end of the year to be made to a wife, where they were attributable to her own earnings, as of right. Up to now they have been paid to husbands — a source of considerable irritation to many married women.

## The failures

The Commons order papers are littered with the usual crop of failed and uncalled amendments. Among those which many will regret are two matters which have recently been the subject of correspondence in this paper: Bad debt relief for VAT is not to be granted where the debtor is a company, unless that company is put into liquidation. The insolvency and receivership partners of a number of the major accounting firms strongly deprecate this restriction. Secondly, corporation tax group relief for losses is still not to be available where loss-making companies own jointly a profitable company — the legislation only allows relief

if the jointly owned company is the one which has tax losses.

Of the amendments tabled which stood little chance of finding their way onto the statute book, one was designed to sabotage the Revenue's recently-announced proposal to tax employees whose children receive "scholarships" from the parent's employer. Mr. Peter Hordern and Mr. John Wakeham nevertheless thought it worth tabling an amendment to exempt the amounts concerned from the charge to tax as benefits in kind.

The Conservatives gained the support of Mr. Powell and Mr. Pardo in the Standing Committee over a clause that outlawed a particular tax avoidance scheme — known as the commodity carry scheme — retrospectively.

The support of these two MPs meant that the committee vote was initially tied and the clause retained its retrospective element only when the chairman's casting vote went in its favour. This narrow defeat meant the clause was debated again on the floor of House, where it was carried with majorities of 27 and 21.

However, because the measure was intended to set a precedent, the declared opposition of the Tories, as well as the other parties, will have a significant impact on the future of organised tax avoidance.

The Government planned the attack on the single scheme to discourage taxpayers using new ones in future. Clearly, there would be no point in an individual seeking to avoid tax through an artificial scheme if the Government was likely to rule it out of court retrospectively.

Now that the Conservatives have declared a formal policy of their own over tax avoidance, however, some taxpayers might take the risk of using schemes under any future Conservative Government with a secure majority.

Conservative policy on the issue was spelled out by Mr. Peter Rees, a Tory Treasury spokesman during the debate in Standing Committee.

Instead of dealing with avoidance schemes retrospectively, the Tories will deal with them by giving a precise warning in the Commons, from which date the scheme will be outlawed. The problem at which the warning had been directed should then immediately be referred to a committee composed of members of the Inland Revenue and of the accountancy and legal professions. If that committee could devise appropriate legislative provision, the draft clause should be published at once so that those likely to be affected have a second clear indication.

The final guideline the Tories say they will adopt would be to introduce this clause, without fall, into the following Finance Bill.

## Letters to the Editor

## Dividends

From Freda Bailey

Sir.—The pathetic performance of the London stock market is pointing clearly to fading hopes of the restoration of unimpeded dividend payments.

The Government went half way in encouraging the small investor by removing the capital gains on small profits, but offsetting inflation and costs — the abolishing of dividend restraint would revive interest in company payments, and ordinary shares could and should be an attraction for investment income. The pension funds etc. and personal sectors would equally benefit, and the just rewards for risks assumed would be recognised.

We all know that companies have good and bad years and dividends are paid accordingly. It is out-fitting to have the continuing carrot holding back, which after all is not unfair income — and many cases are lower than average from a growth company.

Our present Government has come a long way from the original narrow-minded concepts of Socialism. They are educated men and women who recognise that "capital" is a necessary ingredient to run any business and have shown as much understanding as any Conservative Government.

The health of the business community depends on wise decisions, and where it is possible, the Labour Government has done quite well — except in regard to dividend controls.

Now is the time to encourage the future generation of investors. If they acquire an understanding of the way trade and business is conducted, the country would no doubt gain, and damaging strikes and unrealistic wage claims would be curtailed. Freda Bailey, Puckridge Cottage, St. Clement Street, Tipton, Decan

## Pensioners

From Mr. P. Grotian

Sir.—On reading Samuel Brittan in the *London Evening Standard* (July 12) and his defence of Human Rights, as well as going against the decisions of the relevant bodies of the Council of Europe,

elderly, when he was writing about pensions. He suggested to the elderly like myself, that if anything was to be done for us when old, it would have to be a matter of self-help. He even suggested, horror of horrors, that some concessions might be made concerning investment income, to encourage the elderly to be more able to look after themselves when old.

Superficially, the Meade/Brittan line is attractive, but closer inspection shows it to be the reverse. Those who have been most successful at providing for old age, the higher rate taxpayers, are going to be the ones who really will be clobbered. Meade/Brittan is saying, "You keep your money but that is all; just try and spend it in order to keep off the rates and you won't know what has hit you." Meade/Brittan, on hearing that the old are crying for bread, say cheerfully, "Let them eat figs." Their solution to the problem of old age is death by starvation: even in this day, I find such a notion callous and repulsive.

I suspect that as the years begin to catch up with S. Brittan, he will think more favourably of Joe Rogaly's ideas and less of the Meade/Brittan "final solution" to old age.

P. R. Grotian, Aldens Coppe, Godalming, Surrey.

## Cyprus

From the Press Attaché

The Turkish Embassy

Sir.—The report of the European Commission of Human Rights, on Cyprus, which has been disclosed by the "Friends of Cyprus," cannot be accepted as a credible document.

This report totally fails to reflect the realities in Cyprus. The Turkish side was never a party to the deliberations of the Commission and the report was based exclusively on the Greek-Cypriot allegations, supported by a very limited number of people. Moreover, the disclosure is in breach of the provisions of the European Commission of Human Rights, as well as going against the decisions of the relevant bodies of the Council of Europe,

which have not consented to the publication of the report.

One cannot fail to note that the release of the report was conveniently timed to coincide with the opening of the hearings of the renewed Greek-Cypriot petition to the European Commission of Human Rights.

The release of such a biased document is greatly to be deplored since it can only be an impediment to finding a lasting solution to the Cyprus problem.

Varol Akcin, Turkish Embassy, 43, Belgrave Square, SW1.

## Property

From Mr. H. A. Frazer

Sir.—I am sure many of your readers including myself and the survey on Northern Ireland (July 4) exceedingly interesting. There are, of course, many factors which prevent the province from obtaining its full financial target and one of these is the relative unwillingness of pension funds to invest in property in Northern Ireland.

With the honourable exception of the pension fund of the National Coal Board, there is relatively little investment in property in Northern Ireland by even channel pension funds, even by those funds controlled by undertakings who have substantial industrial interests in the area.

I think the unwillingness probably arises from lack of appreciation of the Government scheme for compensation in relation to buildings damaged or destroyed as a result of military action. So far as the older buildings are concerned, it cannot always be assumed that the cost of rebuilding will be paid since compensation is more likely to be on the basis of capital loss in terms of market value, but in relation to modern buildings which of course survive bombing much more completely than the older type of buildings, it is by no means unusual for the compensation to be based on reinstatement costs less, in appropriate cases, a deduction for betterment, if any.

These considerations coupled with a much higher rate of interest on property investments in Northern Ireland than can be obtained elsewhere are

insufficiently appreciated with the result that the market is not as active as it ought to be. Managers of pension funds would do well to look again at the Northern Ireland commercial property market since, in addition to higher yields, there has been a progressive rise in rental values.

Dr. A. Frazer, Alexander Reid and Fraser, 55-57 High Street, Belfast.

## Choice

From Professor D. Middleton

Sir.—Unlike Mr. Roper (July 8), I advocate competition even in the so-called "professions." That means allowing individuals the freedom to choose between "qualified" and "unqualified" lawyers, doctors, teachers, and so on. I am not, of course, suggesting that people necessarily ought to prefer the unqualified, merely that they ought to be allowed the choice.

In education and medicine the state has substantially prevented competition since the war. If we were permitted the services of profit-seeking competitive hospitals and schools, instead of bureaucratic state monopolies, I happen to think we would enjoy higher quality and lower cost. At least it might be worth experimenting to win such a prize.

I understand there is already a large element of potential competition among architects between the "qualified" and the "unqualified." And I would not be too worried about allowing unqualified "lorry drivers" on the roads, since their own interest in acquiring sufficient driving skills must be at least as great as the public's interest in seeing that they do so. Anyway employers would be free, if they wanted to require some demonstration of driving ability before hiring anyone.

Even with airline pilots there is a lot to be said for competition. Most people would probably prefer to fly with an airline with a relatively accident-free record, so it would not be in an airline's interest to employ incompetent pilots.

In general, however, possession of some professional "qualification" can hardly be regarded as synonymous with current "competence." After all, senior members of many professions passed

their last professional examinations before the last war (even assuming that such examinations can adequately test competence). So while Mr. Roper agreed with all my examples about freedom, I agree with none of his examples about qualifications. It is a depressing reminder of the paternalism of our age that so many people have lost sight of the once-revolutionary truth that freedom actually works!

D. R. Middleton, Cranfield School of Management, Cranfield, Bedford.

## Education

From Mr. H. Blankson

Sir.—I have read with considerable interest the views expressed by both Mr. R. C. Saint and Mr. John R. Bath (July 10).

While Mr. Saint suggests that greater emphasis should be placed upon education in the polytechnics rather than universities, that is, practical rather than purely academic, Mr. Bath on the other hand suggests that opportunities for self-advancement are exactly the same for the bright and well-motivated school leaver as they are for the bright and well-motivated graduate.

It, however, is accepted that in the final analysis both the school leaver and the graduate have to "get started on their careers and begin earning money for their own," then it stands to reason that the ideal pattern of education and employment should in fact start from the time the individual gets his first job at the age of 16, 17 or 18.

As soon as the school leaver has obtained his first employment (and provided he is interested in the job) then he should be encouraged and be guided by his employers to take the appropriate course leading to the professional qualification appropriate to the type of job he happens to be doing or is interested in. For example, if he were to be working in any of the various specialist jobs in the company then he could take courses by means of day release, polytechnic or by correspondence to qualify in his chosen field. Older people in industry can also do the same in order to progress. On the other hand, if he

is interested in academic pursuit such as teaching or university education then while in employment he could take the necessary preliminary courses and examinations in order to qualify for entry into either a teacher training college or university.

In other words, it would be far better to pursue educational advancement in industry and commerce (where you combine education with training) than pursuing education first and finding employment later.

Herbert Blankson, Heriot-Watt School of Sales Management Administrators, 35, Whiteley Road, East Dulwich, SE22.

## Credit

From Mr. K. Speyer

Sir.—Mr. Penwill's letter (July 8) is apt in that it highlights the obvious — people who cannot pay on time because the cash is not there, or because they themselves borrow from the banks at anything from 11 per cent to 5 per cent over bank rate — will only be too pleased to take any credit they can get from their suppliers, as they have always done.

Mr. Penwill and the proposed legislators are innocents to think that a mere interest of 1 per cent over bank rate chargeable as of right automatically is likely to make the slightest difference to such borrowers of goods, services, money. They will, as at present, get their credit on the cheap — as even at 1 per cent over bank rate they would effectively get their credit far below the cost at which most such borrowers could get overdraft facilities from the banks, if they could borrow from them any more in any case.

To be effective, trade credit after one month should be surcharged at the rate of 2 per cent or 3 per cent per month (not 1 per cent per annum over bank rate, as proposed) to take account of the cost to the lender of his own money costs and inflation and the return he expects from his own business and working capital.

G. Speyer, 2 M. Speyer, 208, City Road, ECL.

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# Modest aspirations for the summit

BY PETER RIDDELL, Economics Correspondent



Some of the participants of the London summit of last year outside No. 10: Mr. Callaghan, Mr. Carter and Herr Schmidt.

OUTLOOK for the world may not be much over by the economic nit but no real harm may one either. This is the level of modest aspirations with most commentators, and participants, are reaching the two-day meeting of the leaders of the seven industrial nations which is in Bonn tomorrow.

There has been a concerted effort by the seven tries to avoid building up excessive expectations ahead of the meeting—partly because of the intractable nature of many problems to be discussed also, more cynically, so that agreement can be presented success. The summit will certainly not fail, at publicly: at any rate, a communiqué with a unding condemnation of (protectionism) and in te of virtue (sustainable inflationary growth and gy conservation) will re that any failures do not me too readily apparent.

oh scepticism is perhaps able in view both of the ent state of the world omy and of the clearly ppointing results of the e previous summits—at ouillet in November 1975, Puerto Rico in June 1976 in London in May 1977, a meeting has included the Canada, Japan, the UK, Germany, France and

re recovery of activity and ut has remained slow in t of the major industrial tries, with the notable pption of the U.S. And ough unemployment has not eased sharply in the major omies as a whole since last m, the numbers out of k are still significantly er than at any time in the

generation up to the mid-1970s, and it is a similar story with the rate of price inflation. The pattern is depressingly familiar but the fact that 1978 looks in some respects like being a repeat of 1977 is of little comfort. The potential and actual instabilities have increased, notably in the currency area, while the threat of creeping protectionism has grown.

## Unrealistic

The lack of progress in the last year can be appreciated by reading the Downing Street Declaration produced at the end of the London summit, with its mixture of unrealistic targets and trite hopes. It is hard to identify any substantial advances on any of the seven major points:

- Creating more jobs;
- Maintenance of existing targets for growth by the stronger economies;
- Commitment to seek more resources for the International Monetary Fund;
- Agreement to give a new impetus to multilateral trade negotiations;
- Pledge on need for greater energy conservation;
- An urgent study of how to reconcile the world's demand for nuclear power with the need to avoid the spread of nuclear weapons;
- Pledge to do everything possible by means of trade, aid and finance to help the developing countries towards a just share in world growth, notably by promoting the success of the North/South dialogue.

The most glaring failure of the London summit has concerned the pledges to maintain economic growth rates. Japan committed itself to its existing target of a 6.7 per cent rise in total output in 1977 compared with 1976, but achieved only

a 5 per cent increase; West Germany reaffirmed a 5 per cent growth target, but the output was an increase of only half as much. Only the U.S. broadly achieved its target of a 5.8 to 6 per cent rise in total output during the course of 1977.

Overall, the London meeting has been followed by a slackening, rather than an acceleration, in rates of economic growth. The expansion of real Gross National Product throughout the area of the Organisation for Economic Co-operation and Development slowed down from an annual rate of 4 per cent in the first half of last year to barely over 3 per cent in the second half and not much higher at present, with a slight upturn expected later in 1978.

The result is that the growth of total output for this year as a whole is unlikely to be any more than last year's 3½ per cent increase. This is insufficient to check the rise in unemployment from the present level of 17m. This aggregate picture masks contrasts between the U.S., which has continued to expand rapidly with a sharp fall in unemployment, and West Germany and Japan where expansion has remained at relatively low levels. These differences have been reflected in continuing current account imbalances in 1978—again contrary to the hopes of the London summit—with the U.S. deficit possibly rising to \$25bn and Japan's surplus totalling almost as much.

The likely failure to achieve the specific growth commitments became apparent within only a few months of the London summit. Such an obvious failure in spite of an agreed monitoring process explains the general rejection of the whole idea of

specific growth targets. The problem is that not only are the targets often unrealistically high in the first place, and so are never taken seriously, but that the commitments to their achievement are made too late in the year to carry out any necessary corrective action in time.

In other areas, the results of the London summit have also been disappointing, though not always so obviously. Thus the Tokyo round talks in Geneva aimed at reducing trade barriers have still not reached detailed conclusions in spite of the extension of the deadline. But intensive sessions this week suggest that agreement on a comprehensive reform and liberalisation of trade may now be achieved by the end of this year.

The pledge on seeking more resources for the IMF has certainly resulted in much discussion as well as action by many governments, though little substantial change yet in the Fund's role. Similarly, the position of developing countries

is no better than it was and in many respects worse with ever growing indebtedness.

This dismal list might seem to discredit the usefulness of summities. Yet the idea of regular meetings between heads of state retains its appeal, partly no doubt because it provides the political leaders with some temporary feeling that they can influence, if not control, the development of the world economy.

The regular meetings also provide an opportunity for keeping in touch and transcending diplomatic channels. It is argued by the defenders of summits that they are an opportunity for heads of state to give a new political impetus when an issue has become deadlocked in the discussions of officials and finance ministers.

On this view, world leaders may agree collectively what they are unwilling, or unable, to do individually.

The more modest, and perhaps realistic, view is that these summits and other meetings of finance ministers at the IMF

and OECD concentrate the minds of the participants. This does not mean that countries are necessarily forced to embark on a major change of strategy unless they want to. But it is arguable that a calendar of regular international financial meetings and consistent pressure helped to ensure that West Germany and Japan took some expansionary action last year. There may also be a useful negative result of summits in that the participants abstain from certain defensive actions which they might otherwise have undertaken—for example, the introduction of import controls and other subsidies on a large scale, as occurred in the 1930s.

It is in this limited sense that the Bonn summit may serve a purpose, showing that the lessons of earlier over-ambition have been appreciated. The agenda is virtually the same as a year ago in its range of preoccupations with the major addition of currency stability. The sharp fall in the dollar in the last year, especially

compared with the Japanese Yen and the Deutsche Mark, has made a stabilisation of currencies a major priority for the European participants especially West Germany and France. Indeed last weekend's decision at the Bremen summit of Common Market heads of government to press ahead with detailed consideration of Franco-German proposals for achieving currency stabilisation within the EEC may be more significant in the longer-term than the Bonn communiqué.

The problems in reaching agreement at Bonn are caused not only by the state of the world economy but also by the widely differing views and interests of particular countries. The starting approaches are well known. West Germany, the host nation, is reluctant to embark on a major programme of expansion as urged by other countries because it believes this might risk a rekindling of inflation and is anyway not practicable in view of public borrowing constraints.

## Commitments

Instead, Chancellor Schmidt is looking for action by the U.S. to support the dollar, especially to reduce oil imports, and for tougher commitments against protectionism. France broadly agrees, though is sensitive about criticisms of subsidies. The Japanese Government shares many of the German views, but is confident about sustaining a fairly high growth rate, and its main positive contribution is likely to be a commitment to increase aid and capital flows to non-oil developing countries.

The U.S. position is more ambiguous on currency stability and President Carter is likely to emphasise the need for convergence of growth rates as

a result of expansionary moves by the West German and Japanese Governments to reduce payments imbalances. He will say this is preferable to a restrictive U.S. policy, especially as its economy is anyway likely to slow down later this year.

Mr. Carter is likely to point to his efforts to push an Energy Bill through Congress while stressing the constraints of his domestic political position. He has already stressed the increased relative significance of non-oil manufactured imports as a cause of the U.S. current account deficit.

The UK's main role in the summit may turn more on the fact that Mr. James Callaghan, the Prime Minister, is closer to President Carter than other leaders, rather than the importance of any extra contribution from Britain. Indeed the UK view is that the budget stimuli of the last 12 months have already represented the UK's part of the joint effort towards non-inflationary growth.

The nature of any bargain emerging from the summit is still not clear. But any commitments are unlikely to be more than vague, and there will be no quantitative growth targets. However, Hans Matthöfer, the West German Finance Minister, suggested the outlines of a possible deal yesterday when he said that West German proposals to boost growth would be more concrete if President Carter is prepared to be more precise in his commitments on stabilising the dollar through cutting oil imports and dampening down inflation. But almost whatever good intentions are agreed at Bonn, it is difficult to foresee the average rate of economic growth being much higher in a year's time than now, or unemployment and inflation being much lower.

## Weekend Brief

### Sitting

Wednesday the Royal Commission on Gambling published final report, a document of thoroughness and scholarly content to detail that by the following morning the small id of Fleet Street journalists rged with the task of absorbing its 581 pages and 304 recommendations was in a state exhaustion bordering on

It is any consolation, the rman of the Commission, d Rothschild, was prepared admit this week that he had nd his two-and-a-half years' k on the Commission "the t frightful sweat."

he report cost £585,010 to duce and involved sifting distilling 1.75m words of nal evidence, plus 111 visits various Commission mems to bingo clubs, casinos, r grounds, race tracks, ing shops and other bling institutions from here as Vegas and back. It's the most difficult job ave ever undertaken," says d Rothschild, "much more ult than running the nk Tank. It's an immensely plicated subject with so y ramifications."

s a non-gambler, had he n shucked by his introduc to in what has become a business? "I wasn't cked. But I was very, very rised. I found gambling be neither more innocent ore sinister than I had ined, but there is indeed emarkable superfluity of it, really are a nation of blers."

he ramifications the Commi found itself dealing with ged far and wide, from the adly economic to the moral philosophical. The subject so complicated, says Lord schchild, that it is pointless rive for an over-view. "The d gambling is as broad as word religion, a word that l embraces everything from Holy Roller to the Buddhist, e do you attempt to relate eeds or motives of a lde-aged woman who visits hingo hall for a matter with e of the man who suddenly ps £10,000 on the roulette le?"

he answer is you do not. But report is notable, nonetheless, for relentless vigour, for manner in which it mines and then adapts or yds a multitude of often ly complicated interlocking uments, and brings them eber in its final recommendations. Some of these are fairly eal, such as the Commi's call for a national lottery support good causes which d probably achieve a £100m over in its first year. Some fairly painful, such as the gession of severely higher es on casinos. If the Commi's proposed casino tax cture had been in force last r, the total profits of all nos would have been cut



Rothschild: games and gaming

from an expected £50.8m to £14.9m. In the case of the big London casinos with an annual cash drop (the money changed for chips) of more than £10m, profits would have fallen from £38.9m to £10.1m.

In some instances, the report is more interesting for the recommendations it rejects as for those it advances. The Commission says no to the idea of an overall Gambling Authority; to evening or Sunday opening hours for betting shops; to an immediate and substantial increase in the Horserace Betting Levy; to a big increase in the maximum turnover of local authority and society lotteries, and to the suggestion that the police have unrestricted rights of entry to members' clubs and miners' welfare institutes.

Above all, the Commission was not enticed by the suggestion that the Horserace Tote be allowed to nationalise all betting shops. What this means in reality is that the Commission has probably killed off the let's nationalise-gambling lobby, at least for the next 30 years.

## Housey

### housey

One of the very few intact Georgian housing estates in London has just come on to the market. London agents Chesterton have been asked to sell most of the Lloyd Baker Estate in the London Borough of Islington by the family trust that owns the 95 houses.

The agents have put a reserve value of just over £1m on the estate, breaking it down into £350,000 for Granville Square, £140,000 for Lloyd Baker Street, and £550,000 for Wharton Street, WC1. And to judge from interest aroused so far, the family trust is likely far to exceed the reserve price, despite a mere £35,500 annual rent roll on the 51 fully tenanted houses in the estate.

Islington Council is understood to be discussing the possibility of buying the whole estate. But the keenest buying interest seems to have come from housing associations. On a number of similar offers for

sale recently the mass of Government funding available to registered housing associations has made them fearsome bidders, if at a later stage they prove to be rather incompetent developers of inner London housing.

The Lloyd Baker estate recently passed to a cousin of the direct descendant of Thomas Baker and Mary Lloyd, who acquired the land some 200 years ago. Mary Lloyd was the grand-daughter of the Bishop of Worcester, a cleric whose main claim to fame was his imprisonment, along with six other bishops, by King James II.

## Clubbing together

AS THE last putt in this year's Open Championship rolls towards the hole, and the winner relaxes into exhilaration, those hard men from the golf trade in the crowd at St. Andrews, may pause for a moment before they unclench their fists.

For British golf has recently come under the scrutiny of the Office of Fair Trading, in its look into restrictive practices.

Mr. Gordon Borrie, Fair Trading director-general, placed some agreements of the Professional Golfers' Association under inspection about a fortnight ago. These cover restrictions on advertising and the supply of goods by the PGA, the ruling body for professional golfers in the UK.

The vital question now is whether Fair Trading will take in the Professional Golfers' Co-operative Association as part of its investigation into golf. The co-operative was set up in 1921 and acts as a giant distributor for Britain's 1,400 golf professionals.

The co-operative, which had sales last year of £5m, is only open to golf professionals who must buy a stake to join. It has members in common with the PGA but no direct connection, according to Mr. Colin Snape, general secretary of the PGA.

The co-operative buys at better prices than any professional can negotiate alone, and supplies in the UK from four warehouses in Manchester, Glasgow, Birmingham, and London.

Since manufacturers until recently tended to supply the top ends of their ranges exclusively to professionals, the co-operative has found it fairly straightforward to maintain a strong presence at the quality end of the golf equipment market.

Just how strong the hold was—and is—is difficult to establish. Not all professionals buy through the co-operative, which does not trade with all manufacturers.

The system started to come under pressure in the early seventies. New capacity came into the golf market, chasing an illusory boom, and then demand slumped during the recession.

The specialists have tried to carve up the market as fast as possible, using modern retailing techniques.

Mark-ups have been slashed, loss-leaders like golf balls heavily promoted, and advertising used to reach as wide a market as possible. The concentration on volume sales has suited manufacturers.

Gradually the co-operative has weathered the storm and fought back. It has pushed the high quality of service at a golf professional's shop—which can be open seven days a week, 10 hours a day—and it has encouraged professionals to sell to wider markets beyond the club. Profits have started to improve.

Its resilience in the last few years is the best warranty of its commercial independence, according to Marshall Lumsden, managing director of the co-operative.

## Contributors:

Michael Thompson Noel,  
John Brennan and  
Christopher Dunn.

## Economic Diary

TODAY—Prime Minister speaks at Durham Miners' Gala.

SUNDAY—Two-day Western economic summit opens in Bonn.

MONDAY—High Court application by Burmah Oil for court order compelling Bank of England to disclose documents.

Burmah considers important in its £500m action against the Bank for the return of its 20 per cent shareholding in British Petroleum.

Government offers 300,000 ounces of gold for sale in third of six monthly auctions. British Airports Authority annual report.

British Gas Corporation annual dividends resumes hearing of British Gas Corporation annual dividends resumes hearing of ASLEF pay claim. London. Fire report. Sir David Steel, British Petroleum chairman, addresses

Brigades' Union one-day conference on pay. Blackpool. Retail sales (June, provisional). Cyclical indicators for UK economy (June).

TUESDAY—Prime Minister and other Cabinet members meet TUC General Council to discuss forthcoming White Paper on pay policy. EEC considers the Community Budget, Brussels. U.S. Government offers 300,000 ounces of gold for sale in third of six monthly auctions. British Airports Authority annual report.

British Gas Corporation annual dividends resumes hearing of ASLEF pay claim. London. Fire report. Sir David Steel, British Petroleum chairman, addresses

WEDNESDAY—Prime Minister meets Confederation of British Industry on Phase Four pay guidelines. European Commission meeting on "crisis cartels," Brussels. All stages of Finance Bill in House of Lords. CBI Council meets. British Institute of Management launches "Managers' Manifesto." Basic rates of wages and normal weekly hours

THURSDAY—Cabinet discusses impending White Paper on pay policy. Consumers' expenditure (2nd quarter, 1st preliminary estimate). Sector financial accounts: Net acquisition of financial assets; and industrial and commercial companies and personal sector financial accounts (1st quarter). UK banks' assets and liabilities and the money stock; and London dollar and sterling certificates of deposit (mid-June). Construction new orders (May).

FRIDAY—Sales and orders in engineering industries (April).

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## ● TOWN AND CITY REPORT

## Governments accused of crucifying bread industry

## Gestetner first half downturn

	28 weeks
	1976 1975
Turnover	1,000 1,000
Trading profit	15.37 13.61
Income from interests and dividends	1.16 1.75
Operating profit	13.95 15.14
Share of associated companies	111
	22.26 15.15
Taxation	2.50
Net profit	7.25 13.87
Less minority share	0.70
Branded profit	6.55 9.90
Comprising UK tax	14 560.00
Less minority share	1.00 1.00
Overseas	24,253,000 (£5,128,000) less prior year adjustment £488,000 (£240,000).

**See Lex**

## Yule Catto holders to get £1.8m

levels were maintained. Action has been taken to improve margins.

The profit earned by its marine Cobb's Quay, was higher than last year, it is reported that permission for additional berths with berths granted in the coming month, although the effect of this on profits will not be felt before next year.

After tax of £0.15M (£0.48M) and goodwill of £228,583 written off, which was balanced by transfer from reserves—available profit for the half year was £34M (£1.36M).

At the August 14 EGM called to approve the repayment proposal, directors will also seek to increase the ordinary share capital to 20m shares to give directors room to issue shares in possible takeovers. If approved, 19.03 per cent of shares will be unissued.

	1977-78	1976-77
Turnover	4,769.75	4,727.00
Trading profit	823.21	906.47
Investment income	—	99.47
Interest paid	3.93	49.47
Profit before tax	800.28	956.47
Tax	149.00	161.00
Net profit	651.28	795.47
Extraordinary items:		
— Goodwill	256.363	—
— Transfer from Resv.	256.363	—
Available	130.40	482.20

As the acquirers of the London Bell and Co. Liverpool.

## ASSOC. BOOK

The directors of Associated Book Publishers are proposing the repayment of the outstanding £338,586 nominal of the 7½ per cent debenture stock 1965-80 at the rate of 250 per cent, together with interest accrued to the date of repayment.

## Second half recovery at Wallis Fashion

**SECOND-HALF** advance from \$200,000 to \$330,000 after taxable profits of Wallis Fashion Group, a peak \$1.03m for the full year 31, 1978, year, compared with £732,000 last time. The directors said that, after a downturn from £80,000 to £33,000 but said that they achieved results for the full year which showed an advance. They added that, so far in the current year, the group is making a considerable increase in turnover, which, if maintained, would result in a marked increase in turnover for the year was made from £11.36m to £13.7m. The profits were subject to tax, and the ED 19 base of £244,000, £147,000 less a net profit at £752,000 (£885,000). Earnings per 10p share are now at 30p (28.2p) and the dividend is stepped to 4p (3.5p) from 3p. Also proposed is a three-for-one scrip issue.

Directors' valuation of the group's properties resulted in a surplus of £4.2m (£22.2m). Wallis has close status. Directors state that results were achieved against a background of very trading conditions in the fashion world for most of the year. But, results in Europe and Elre were highly satisfactory, they added, with turnover up by 50.3m to £22.3m. Since the year-end, the group has opened seven new shops, and closed 11 old shops, and planned by the end of the current year. Four of the new outlets will be on the Continent. The group also plans to open a factory at Cold North Wales. The directors hope to be able to make a significant contribution to the group's increasing requirements by the end of the year. Wallis has actively engaged in the fashion world, which they hope will at least maintain its rate of shop openings in 1979.

## Elliott Grp. £1.3m turnaround

**BY JOHN MOORE**

Elliott Group of Peterborough, the centre of a City row last year over the non-appearance of announced Middle East contracts and directors' sharedealings, yesterday reported a net loss of £189,000 for its last financial year. The shares fell 4p to 16p on the news.

The reported loss to March 31 compares with a pre-tax profit of £1.13m in the previous 18-month period.

Group turnover slumped from £38.7m to £16.01m. The overall loss for the year of £189,000 was arrived at after exceptional and non-recurring items amounting to £2,000,000, extraordinary administration costs and the write-off of unquantified tendering expenses. These relate to "certain Middle East contracts which will not be pursued in the future."

Of the extraordinary item amounting to £174,000 mainly arises from the transfer of the manufacturing operation of Medway Joinery (Scotland) "and a re-assessment of the extraordinary item."

Comparison with the half-year position is said to be difficult because of the differing periods of

the financial years. The group estimates that it made a profit of £130,000 in the second half of the year, although at the half-way stage a loss of £247,000 was reported. In these circumstances a dividend of 0.35p per Ordinary share is recommended. Elliott did not pay an interim dividend.

Elliott, which makes portable buildings, now intends to concentrate on the traditional aircraft industry rather than chase a speculative overseas order, and at the same time to realise surplus assets to reduce borrowings. The group indicated yesterday that debt had been contained at around £1m in 1972, £1.5m in 1973, £1.7m in 1974 and £12.0m of medium term loans. It's stock market value is £2.1m.

Elliott does not intend to put out of the Middle East, however, as the company's experience, A. J. Elliott, a director, said in an order of "no less than £15m in Saudi Arabia which was reported in a letter to shareholders at the half way stage in 1974. The company has not reached the final stage in negotiations and is not recommending the sale.

The newly appointed chairman, Mr. A. W. Houston said yesterday.

day," "that has been suspended by the Saudi School Authority, our client, who is reassessing the Saudi schools' programme."

On the make-up of the second half profit, Mr. Houston said that "with the exception of Midway Industries it represents an across the board advance in oil companies."

Meanwhile, the Department of Trade is still investigating the share dealings of Mr. Edmund Smeeth, the former chairman, and his former director, who is studying share sales by the three men after the announcement of £24m worth of overseas orders during the last financial year which failed to materialise.

	1977-78	1976-77
Turnover	£12.3	£11.8
Trading profit	magn. £260	" 230
LTA exceptional non-rec.	14.5	13.7
	£30.8	£34.7
Loan stock interest	218	—
Loss before tax	208	97
Tax	(10)	(133)
Extarnord. debiti	174	177
Dividends	35	142
	299	181

= Profit, 7 Surplus

## Results due next week

The big battle on next week's Stock Exchange bid for company announcements at Bank Organisation and Lloyds Bank from whom interim results were expected. Lloyds Bank due to release its full-year profits along with Higgsword Morris and Hoag Robinson, Union Discount, while the other features will give an indication of its first half performance.

Lloyds Bank kicks off on Friday. The latest interim results were released last week. The market is expecting around £34m profit from the group, but there is a wide range of estimates with a broker going for as much as £41m.

What will have supported Lloyds' performance this year, during a period when base rates were on the rise, has been a more than comparable rise in half, is substantial volume growth in consumer lending. In addition to the strong interest rate environment well and a good contribution is expected at the associate level from Lloyds and Scottish.

There is some uncertainty about the bank's position. The year results due from the Bank Organisation on Monday. All being well the group is expected to turn out virtually unchanged from last year's £34m and £35m net core interests. The Dublin view of the past, are the bank

and should turn out £71m compared with £60m thanks to reduced losses in Bank Radio, and better performance in property and cinema interests.

The Lloyds Bank where profits are likely to have been affected by adverse currency movements. Expectations are that the bank will make around £23m, but there are fears that because of currency factors the contribution could drop to under £20m, in which case the overall result would be around £23m.

Analysts until recently were forecasting between £24 and £25m for the full year from Unigate, but with reports of better trading in the first half, this has been revised upwards, to £27m, even up to £27.5m, against the £24.4m last year. Milk volume around 4 per cent above the £24.4m of the year.

Unigate's improvement, while the dairy produce side is also on the upturn. For some years now the dairy side has been a hard hit by excess supplies in Europe, which followed cheap increases and a significant fall-off in demand. The situation is being eased by the New Zealand butter under agreements made when the UK joined the EEC. Consequently the home market has been hit by a glut of milk. Unigate has had to depend on overseas operations to

provide growth. The results are due to be announced on Thursday.

Trading prospects at Illinoisworth Morris are still dogged by the sluggishness of the wool and textile markets, which account for around 42 per cent of group sales. However, the company has recently become more diversified, and the wool division has continued its recovery mainly because of rationalisation at Huddersfield and the closure of some factories. While there has been a recovery in the wool market, producing the high level of short-term debt. At the halfway stage, profits almost doubled to 12m and the company is now aware that the surplus should be maintained in the second half. Analysts are expected to lift at least 14.2m for the year, with a possible 22m for the full year. The results are due on Tuesday.

Lower interest rates and the increase in the exchange value of the pound have helped the Anglo-Robinson's 1977-78 year. Analysts have led analysts to estimate a lower profit growth for the year of 20 per cent, than the 23 per cent established in the half. The consensus is for a figure of £29.5m with a range extending from £19m to £39m. A more profitable mix of insurance contracts is expected to have been achieved with a reduction in the expense ratio of the insurance broking

## John Beales board sits tight on payouts

Although the directors of John Leeds Associated Companies are aware of members' concern at the level of distributions in relation to the company's current funds and reserves, at present the board has no definitive proposal to change the position, Mr. H. Signall, the chairman, told an annual meeting.

The directors originally restricted dividends on the basis of a prudent regard to the long-term interests of the company and shareholders and then a straitened financial position. They also aware that a number of companies have resorted to scrip issues or preference shares as a palliative in such circumstances. The board has an open mind on this subject but the directors, as yet, propose no action in view of the uncertainty over dividend restraint and having regard to the existence of convertible loan stockholders whose interests would have to be considered and accommodated, Mr. Signall explained.

As known for 1977-78 the company, which makes underwear and outerwear, paid a total of 2,885,212p net out of basic net earnings of 23-4p.

## Lebus in the red at midway

**DIRECTORS** of Harris Lebus, furniture manufacturer, state that the expected upturn in demand for furniture did not materialise in the 26 weeks to April, 1978, giving rise to widespread price-cutting and, thus, severe pressure on margins.

They report a turnaround from a profit of £131,000 to a loss of £1,337,000 in the period on turnover of £3.7m. The loss was made up over from the £8.33m to £7.94m.

Profit for the whole of the 1977-78 year was £302,000.

Viscious action has now been taken to reduce overhead costs, they add, while output is being maintained at current levels. The market is expected to improve in the autumn, they say, and a reduced loss for the second half is forecast.

Harris incurred very substantial costs, during the period, following a component fault on one of the money-boxes being selling. Arrangements, Directors say this fault has now been corrected.

Loss per 25p share is shown as 15.57p for the half year against earnings of 6.1p last time and 12.12p for the 1976-77 year. For that year a 3.57p net dividend was

The development will provide 80,000 square feet of new shops including a large store for a super market or similar use, 20,000 square feet of offices, 100 maisonettes and parking for 200 cars. With the option of developing part of Lacey Road to form a new public open space.

Capital and Counties acquired the land for development between 1965 and 1967, but until recently it was not possible to proceed because of the uncertain future of the local road network. With publication of a new town plan, the company hopes to make an early start on developments.

## Theakston funded by London Trust

The directors of T. and R. Theakston, the independent family brewery based in Nisham, Yorkshire and Carlisle, Cumberland, announce that, subject to shareholders' approval, they have secured a capital funding of £1,000,000 by London Trust Co.

was £738,735 with sales at £6,680m. The directors expect continued growth in the second half with turnover reaching at least £10m. During the half-year there was a strong demand for the 370 Flexline leasing program and profit benefited from a rise in investment income to £55,320. At midway net assets stood at £1.8m compared with £1.20m at the end of 1977.

## Hartwells ahead in opening four months

Profits at Hartwells Group for the first four months to June 30, 1978, showed a substantial improvement against the same period of last year and it was anticipated that the first-half surplus would show an advance, the annual meeting was told. Midway pre-tax earnings last time reached £800,000.

A new company called Hartwells

Company	Announce- ment date	Dividend up.*	
		Last year	This year
		Per share	Per share

[illegible]

## Company

[illegible]

**Suter finishes**  
at £136,431

Monday	1.31	1.662	1.33
Tuesday	1.2	2.0	1
Wednesday	1.1	2.2	1.2
Thursday		1.4	
Friday	0.55	0.6	
Saturday	2.53	3.507	
Sunday	1.2	1.4	
Monday	2.6	3.593	
Tuesday	0.7043	1.7156	
Wednesday	1.33	2.197	
Thursday	2.645	2.934	
Friday	1.3	1.8	
Saturday	0.59	0.7	
Sunday	0.9	4.3	
Monday	1.37	1.802	
Tuesday	3.7423	11.9077	
Wednesday	4.15	4.1994	
Thursday	0.7	1.4	
Friday	0.973	3.035	
Saturday	0.185	0.2	
Sunday	0.625	1.405	
Monday	2.194		
Tuesday	2.115	3.34822	
Wednesday	0.5	1.2	
Thursday	1.3	2.03	
Friday	0.65	1.5	
Saturday	1.65	4	
Sunday	1.3	2.53	
Monday	0.775	0.4725	

With no tax charge the ributable loss was £338,000; the comparative came out at £243,000.

	26 weeks	26 weeks
	1977-78	1976-77
	2000	2000
Turnover	7,547.3	6,329
Trading loss	293	143
Interest payable	45	45
Finance costs	338	123
Extraordinary credit	—	112
Attributable loss	228	129
Profit		

to be treated as a long-term investment. The new monies are to be used to further promote the growth of the company both at home and overseas.

## Midyear growth for Atlantic Computer

THROUGH MAINLY greater productivity in the sales organisation and the availability of reasonably priced second-user equipment for lease, Atlantic Computer Leasing improved taxable earnings in the first half of 1978 to £68,470 on sales of £4,66m.

**Boom for Weir Electronics**

Sales by Weir Electronics leaped 68 per cent to £2.5m in the year to June 3, 1978. Orders received by the Bognor Regis-based company reached £1m during the period.

For the first month of the current year sales exceeded £100,000 and orders £400,000. More than 83 per cent of this business related to custom designed power

100-443887-160



100-443887-100

Series	July		Oct.		Jan.		Stock
	Vol.	Last	Vol.	Last	Vol.	Last	
ALA	1530	—	1	86	2	27.50	1884
ALA	1540	—	—	—	—	—	—
ALB	1510	—	42	4.50	3	—	229.10
ALB	1520	—	8	—	104	2	—
ALB	132.50	—	10	2.25	2	—	8601
ALB	137.00	—	6	—	2	1.50	700
ALB	1545	—	24	24	—	—	826 1/2
ALB	1540	7	2	9 1/2	2	13 1/2	—
ALB	1590	—	2	3 1/4	—	—	—
ALB	1540	—	23	17	19	16	150.70
ALB	1550	—	2	10	13	10.50	—
ALB	1550	95	0.30	9	7	7	—
ALB	1570	55	0.20	66	4.50	11	—
ALB	1580	50	0.10	2	1.80	3	4.50
ALB	1590	—	—	2	1.20	66	2.80
ALB	1590	—	62	0.70	25	1.50	—
ALB	1520	—	—	—	—	—	—
ALB	1590	—	—	6	7.70	18	8.30
ALB	1520	—	39	1.20	7	2.30	1200.80
ALB	1520	—	2	0.50	51	1.20	—
ALB	157.50	—	22	14	—	—	1533
ALB	157.00	56	12.70	42	5.30	—	—
ALB	1580	72	8	—	—	—	—
ALB	1580	—	—	—	—	2	—
ALB	1580	—	—	—	—	—	1523.20
ALB	1520	—	1.80	—	—	—	—

Attention: Stock Transfer Department  
Banque Occidentale Pour l'Industrie et le Commerce,  
65-68 Leadenhall Street,  
London, England  
EC3A 2BA.

The provisions of the Canada Business Corporations Act are technical and complex. If you wish to avail yourself of your rights under section 199 of the Act, it is suggested that you seek your







## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Court moves to save Boussac empire SAS buys Malmros forwarding agency Further increase in sales and earnings at IBM

DAVID WHITE

PERSONAL holdings of Boussac went into the pot as the Paris Commercial Court decided to take them. The direct control in its pit to sort out the financially-stricken Boussac textile

many-one companies within group were made subject to settlement by the court. This decision has been a relief to Boussac's shareholders and property outside the group. The most important of these is the Christian Dior business, which according to estimates is worth FF 500m (\$150m).

et income at ubota falls 9%

TOKYO, July 14. JTA, Japan's leading manufacturer of agricultural equipment and industrial pipe and machinery, reports a fall of 9 per cent in consolidated net income to ¥19,870m (\$97m) in the year ended April 15 from ¥21,400m (\$107m) in 1977. Consolidated sales, however, rose slightly by 1.0 per cent to ¥498.1bn (\$2.5bn).

Two specific areas of expenditure are indicated. Some ¥5m ringgit will be used to repay the 10 per cent unsecured loan stock which matures on December 31, 1978 and the group says that it has plans for "substantial property developments in both Malaysia and Singapore."

Toyota lifts sales targets

TOKYO, July 14. TOYOTA MOTOR COMPANY has revised upwards its production and sales target this year, to 2.91m from the original 2.86m, as a result of an improvement in domestic sales.

WARDGATE COMMODITY FUND  
at 30th June 1978, £10.35, £10.78  
WCF MANAGERS LIMITED  
P.O. Box 12  
St. Helier, Jersey  
JE5 3BZ  
Next dealings 1st July 1978.

the sporting weekly Paris-Tour, of a group of industrial and financial interests for FF 80m. It has been estimated that the Boussac group needs to find FF 800m (\$180m) to save bankruptcy.

The Commercial Court said in its ruling that taking control of Boussac's personal holdings would help it to assure the continued operation of the group under a restructuring plan if necessary with government backing.

Despite the Government's new policy of not supporting "lame duck" industries it would be difficult to ignore the unemployment threat posed by the Boussac group's troubles and its implications for the social climate

Sime plans property expansion

BY JAMES BARTHOLOMEW AND WONG SULONG

THE FULL purpose of the 375m ringgit loan which Sime Darby is raising in Malaysia and Singapore is still not clear despite a company statement yesterday.

Speculation that the loan might be the prelude to a major bid has been answered only by the assertion that "there is no announcement of importance pending."

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violent protests by groups of Boussac workers, giving rise to a strange alliance between M. Boussac, the archetypal paternalistic boss, and the communist-led CGT union.

A lawyer for M. Boussac was quoted as saying that M. Boussac had now given up his claim to everything "down to his last shirt."

Apartment Dior, M. Boussac owns two studios, about 200 hectares and a chateau with about 7,000 hectares of land, as well as portfolio assets.

The more valuable of his studios and his best racehorse are worth FF 100m combined. Under his previous owner, M. Boussac would have kept Boussac and land and all but one of his horses.

Dutch publisher in UK

BY CHARLES BATCHELOR

AMSTERDAM, July 14. KLUWER, the Dutch publishing group, has agreed to acquire the capital of Hulton Educational Publications of Amsterdam, a UK for cash. Hulton has a staff of about 35 and publishes 400 educational titles for the primary and secondary school age groups.

The aim is to increase BT's access to raw materials for its board making activities. It has had this holding for "some time" but the withdrawal of two shareholders means it is now a larger role in the management of Lignac. This is the company's reason for disclosing the shareholding.

BT is a diversified company with interests in manufacturing and wholesaling office equipment, stationery and toys. It reported net profits of £1.36m in 1977 on sales of £1.56m (\$708m).

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average shares outstanding at the end of the first half were 146.4m against 149.2m last time.

Mr. Frank T. Cary, the chairman of IBM, said: "Purchases of data processing equipment for the year have been higher than in the comparable periods of 1977. This reflects the tapering off of purchases of System 370 models 158 and 168 and increasing shipments and purchases of newer products."

He added, "incoming orders for data processing equipment for the first two quarters of this year were substantially higher than the strong volumes experienced in the comparable 1977 period."

"For the six months ended June 30, 1978, fluctuations in the

value of the U.S. dollar in relation to other major currencies resulted in an exchange gain of \$22m, which consisted principally of unrealised gains from the transition of foreign currency assets and liabilities.

Some observers in the computer industry have suggested that 1978 may be a year of transition for IBM, although last year's total share earnings of \$15.30 are likely to be exceeded this time.

The introduction of a new range of machines, referred to by Mr. Cary in his speech, means that the company is at the beginning of a new earnings cycle.

In the past, profit margins have declined at this stage of the cycle.

Profits rise at Transamerica

SAN FRANCISCO, July 14.

TRANSAMERICA Corporation reported second quarter earnings of \$200m, a 25 per cent increase over the \$160m of the first quarter.

Life insurance and property-casualty operations contributed more than 50 per cent of Transamerica's profits, as reported to be enjoying record business for both the second quarter and six months, in line with all of the company's major activities.

Second-half earnings should be at least as good as those for the first, which would give the

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COMMODITIES/Review of the week  
Tin pact price rise disappoints

OUR COMMODITIES STAFF

RE WAS disappointed on the London Metal Exchange yesterday to news that International Tin Council agreed to raise the "floor" (minimum) price ranges of the national Tin Agreement.

It was agreed to raise the price by \$5.15 to \$15.15 a picul and the "ceiling" by \$5.20 to \$15.20.

The rise in copper set the trend for higher prices in the lead and zinc markets too. Cash lead, aided by a technical supply squeeze, gained \$13.25 to \$316 a tonne, while cash zinc was \$275 a tonne.

The world sugar market was once again hit by selling pressure, which cut the London daily price for raws by 25c to \$35 a tonne—equaling the three-year low levels plumbed last November.

Early in the week the price was helped downwards by reports of "beautiful" beet crops growing in the European Community. The French growers' federation claimed that the crop had now made up the ground it lost during the cold spring.

Later, independent market analyst F. O. Licht cut its estimate of year-end world stocks and the EEC Commission's sugar

management-committee forecast 2.2 exportable sugar surplus for the Community this year of only 2.9m tonnes, compared with the 3.5m tonnes disposed of in the campaign just ending.

These faintly optimistic reports were not enough though to lift the market—still depressed by the huge surplus of supplies available.

Cocoa dealings during the week were influenced mainly by fresh reports on the expected surplus for the 1977-78 season. The International Cocoa Organisation raised its estimate of the surplus to 29,000 tonnes, claiming that output would exceed world consumption by 49,000 tonnes.

The deficit last year was 50,000 tonnes.

Later in the week, Gill and Surplus raised its estimate of the deficit from 50,000 to 115,000 tonnes. The rise was attributed to a better-than-expected crop in Brazil.

Three months cocoa last \$250 a tonne on the week, closing at \$170.80.

Nearby coffee futures lost 234 points in the week, closing last night at \$2.384 a tonne.

Main influence was the minimum export price reduction announced by Colombia along with other measures enabling exporters to compete more freely in world markets.

Wheat, No. 1 Red Spring, Am. Hard, Winter, 231.5 -0.75 232.5 232.5 232.5  
No. 2 Red Spring, Am. Hard, Winter, 229.5 -0.75 230.5 230.5 230.5  
No. 3 Red Spring, Am. Hard, Winter, 227.5 -0.75 228.5 228.5 228.5

Wheat, No. 1 Soft Spring, Am. Hard, Winter, 229.5 -0.75 230.5 230.5 230.5  
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## MARKET REPORTS

## BASE METALS

COPPER—Steady on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

LEAD—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

ZINC—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

NICKEL—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

COBALT—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

IRON—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

STEEL—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

ALUMINUM—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

MAGNESIUM—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

TITANIUM—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

BERYLLIUM—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

ANTHRACITE—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

BITUMEN—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

## MARKET REPORTS

## BASE METALS

COPPER—Steady on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

LEAD—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

ZINC—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

NICKEL—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

COBALT—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

IRON—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

STEEL—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

ALUMINUM—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

MAGNESIUM—Firm on the London Metal Exchange, but the higher levels were not maintained in the afternoon. The market was closed at 270.00, down from 271.00. The week's high was 271.00, low 269.00. Turnover: 15,220 tonnes.

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Financial Times Saturday July 15 1978

Table with multiple columns listing various financial instruments, companies, and their prices. Includes sections for 'LOCAL AUTHORITY BOND TABLE' and 'BUILDING SOCIETY RATES'.

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LOCAL AUTHORITY BOND TABLE

Table with columns: Authority, Annual Interest, Interest payable, Minimum, Life of bond.

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Currency, Money and Gold Markets

UK MONEY MARKET: Bank of England Minimum Lending Rate 10 per cent. The Treasury bill rate fell by 0.0325 per cent...

EXCHANGES AND GOLD

Activity in yesterday's foreign exchange market fell away ahead of the weekend and the Bonn summit. Sterling improved...

THE POUND SPOT

Table with columns: July 14, Bid, Offer, Close.

OTHER MARKETS

Table with columns: July 14, Bid, Offer, Close.

LONDON MONEY RATES

Table with columns: July 14, Bid, Offer, Close.

CURRENCY RATES

Table with columns: July 14, Bid, Offer, Close.

EURO-CURRENCY INTEREST RATES

Table with columns: July 14, Bid, Offer, Close.

UK CONVERTIBLE STOCKS 14/7/78

Table with columns: Name and description, Size, Current price, Terms, Conversion dates, Flat yield, Red. yield, Premium, Income, Dividend, Current.



## 30-share index closes week 18.8 up at 474.4—Long funds gain $\frac{1}{2}$

Continuing labour troubles in Queensland prompted a further fall of 10 to 375p in Utah Mining Australia.



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<b>INDUSTRIALS (25)</b>	<b>ENGINEERING (1)</b>
Accor, Loshare	Barbards
Black Arrow	<b>FOODS (2)</b>
Chemical & Sherwood	Tavener Anderson Watson & Phillips
Chrastick Int'l.	<b>INDUSTRIALS (2)</b>
Coca Allman	Elliott (Petroleum and Chemicals)
Diploma Inc.	<b>INSURANCE (1)</b>
Edgewood	Brenneman Beard
Elbong Dudley	<b>SOUTH AFRICANS (1)</b>
Hallam Sleigh	Hulett's Corp.
Huntbush	
Imp. Cont. Gas	
Lindsay & Williams	
Manning (I.D.)	
Marling Ind.	
Reed Executive	
Royal Worthington	
Scottish Hireable	
Seear J. W. J.	
Ust. Carriers	

3	Over 15 years	118.95	-8.55	-	7.82	7	High	5 years	11.65	11.75	11.46	11.96	5/77	9.67	5/81	
4	Irredeemables	126.82	+8.68	-	7.84	8	Compans	15 years	12.96	12.75	12.47	13.01	6/80	11.53	6/83	
5	All stocks	112.89	-8.25	-	7.59	9		25 years	13.32	13.00	12.65	13.43	5/86	11.26	6/91	
						10	Irredeemables		11.67	11.74	12.62	12.15	2/89b		9.89	6/92

		Ex. July 14												Thurs. July 15	Wed. July 15	Thurs. July 15	Mon. July 16	Fri. July 16	Thurs. July 16	Wed. July 16	Year aggreg.	1978		Since Completion	
																						High	Low	High	Low
15	90-yr. Red. Deb. & Loans (16)	59.88	11.85	56.00	56.83	56.78	56.77	56.78	56.84	56.84	61.80	63.67	58.10	55.37	1/74	112.43	28.10/80	57.01	58.10/80						
16	Investment Trust Feds. (18)	50.95	11.74	51.68	51.69	51.68	51.69	51.67	51.63	51.62	57.71	57.71	51.11	51.01	2/80a	114.41	13.00/83	54.45	54.45/83						
17	Local and Indl. Feds. (20)	71.82	11.82	70.89	70.15	70.15	70.20	70.17	70.14	70.34	89.78	78.60	71.11	69.85	2/80b	114.96	7.10/83	47.87	48.10/83						

Section or Group	Rate Date	Rate Value	Section or Group	Rate Date	Rate Value	As to, by, must 22b. A fortnightly record of group and sub-section allocations, dividend yields and earnings growth since 1962, with quarterly highs and lows of the 10 best stocks, from 1975 to 1978, as reported by 10 Best Court, London, EC4, at 600 non-copy	
						CONSTITUTION CHANGE: Investment Trust, Corpn has been replaced by Caladine Trust (Investment Trust)	NAME CHANGE: Ever Ready has changed its name to Borec Group (Light, Electric, Radio, TV).
Pharmaceutical Products	36/12/77	26.77	Microfinance Financial	31/12/78	128.96		
Overseas Traders	30/12/78	63.75	Food Manufacturers	29/12/87	110.13		
Engineering Contractors	30/12/78	180.00	Food Retailing	29/12/87	12.77		
Mechanical Engineering	31/12/77	153.94	Insurance Brokers	29/12/87	96.67		
Wine and Spirits	31/1/78	153.84	Miner Finance	29/12/87	108.00		
Toys and Games	31/1/78	241.76	All Other	18/4/82	100.00		
Office Equipment	31/1/78	128.20					
Industrial Group	31/12/78	128.20					

1 Redemptions yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price



## OFFSHORE AND OVERSEAS FUNDS

[illegible]

**NOTES**

Policies do not include 5 premium, except where indicated \* and are in force unless otherwise indicated. Yields % shown in last column allow for all buying expenses. A Offered price includes all expenses. 1 To-day's price. Yield listed on contracts. 2 Indicated. 3 To-day's opening price. 4 Distribution by U.S. taxes. 5 Periodic premium insurance plans. 6 Single premium insurance. \* Offered price includes all expenses except agent's commission. Offered price includes all expenses if gains under indicated by 5. 6 Guaranteed gross. 7 Suspended. Not of tax on realized gains under indicated by 5. 8 Guaranteed gross. 9 Suspended. 10 Yield before Jersey tax. 11 Ex-subversion.

CLIVE INVESTMENTS LIMITED	
1 Royal Exchange Ave., London ECV 3LU. Tel.: 01-283 1101	
Index Guide as at 4th July, 1978 (Base 100 at 14.1.77)	
Clive Fixed Interest Capital .....	128.05
Clive Fixed Interest Income .....	114.14

**INSURANCE CASE RATES**

† Property Growth .....	104 %
† Vanbrugh Guaranteed .....	9.30%

† Address shown under Insurance and Property Bond Table.







### FINANCE, LAND—Continued

Debenhams	7	Mirra & Spink	10	Town & City	14
Electric	8	N.E.I.	11	Oils	15
Woolley	9	Nat. West Bank	12	Pr. Petroleum	5
Anglo N.	11	N.W. D.	13	Burmah Oil	5
London	12	P. O. Df. Ltd.	14	Charterhall	5
Electric	13	Hersey	15	Ultramar	20
Anglo	14	H. S. A.	16	Chiners	12
London	15	Rank Org. A.	18	Charter Cons.	12
U.S.A.	20	Reed Intl.	12	Cons. Zinc	16
London	21	Rollers	13	Kio T. Gne.	14
U.S.A.	22	Tesco	14		
London	23	Thorn	25		
U.S.A.	24	Trust Houses	26		
London	25				

A selection of options traded is given on the London Stock Exchange Report page.



Cruising means



## MEN OF THE WEEK

## Verdicts on a system

BY DAVID SATTER

MOSCOW, July 14. ALTHOUGH THEY have different backgrounds and goals, the jailed Soviet dissidents Mr. Anatoly Shcharansky and Mr. Alexander Ginzburg have a common personality trait which inspired their action and determined their fates. This was a determination to live according to their own personal and political standards.

Neither Mr. Shcharansky, aged 30, with his determination to preserve Jewish culture in Russia, nor Mr. Ginzburg, 41, a veteran of labour camp life, had any illusions that their human rights activities would give them a trouble-free future.

But each man at one point decided — Mr. Shcharansky relatively recently and Mr.



Shcharansky: personal ideals.

Ginzburg, in 1962 — to campaign for a free society. In the case of Mr. Shcharansky, the decision came in 1973, when he was banned from emigrating to Israel where he was to join his wife, Avital, who had emigrated a few days before. He became active in the Jewish movement, joining a small group of activists in Moscow who had been refused exit visas. He dedicated himself to keeping in contact with fellow "Refuseniks" in the country, as well as encouraging an un-banned Jewish cultural life.

For Mr. Ginzburg, the moment came much earlier when Mr. Shcharansky was still in school. It was then that he began publishing an underground poetry journal which was one of the earliest examples of "samizdat", the unofficial type-written works which are now a standard feature of the Soviet dissident community.

Mr. Ginzburg's cultural interests came to the attention of the KGB. He was finally convicted for a different offence — illegally examining a friend's behalf. He was sentenced to a maximum of two years' imprisonment, which he served in a labour camp in the northern taiga.

Mr. Ginzburg, the veteran, and Mr. Shcharansky, the articulate Jewish activist, began to work together in 1976, following the founding by Dr. Yuri Orlov, of the dissident committee which tried to monitor Soviet observance of the Helsinki Agreement. Mr. Shcharansky brought to the organisation his fluent English, a sixth sense for dealing with the needs of Western newsmen, and wide-ranging Jewish contacts.

Between them, the two men interested themselves in a wide range of alleged Soviet abuses of human rights. Mr. Shcharansky, for example, had contact with Soviet Germans, seeking to emigrate and was concerned with the question of psychiatric treatment of dissidents. The apartment of Mr. Ginzburg's wife, Anna, in Moscow became a kind of Mecca for individuals with specific grievances. Mr. Ginzburg, who was the Soviet dissidents' unofficial administrator and chief architect, also ran a fund, set up with proceeds from the sale of Alexander Solzhenitsin's books, to help the families of Soviet political prisoners. After conviction, however, Mr. Ginzburg was forced to live apart from his wife in Tarusa, 50 miles outside the capital.

When the crackdown on the Helsinki Monitoring group began, Mr. Ginzburg, who wanted democratic reform in the Soviet Union, was the first man to be arrested. He was seized when he left his wife's apartment to make a telephone call at a time when he was recovering from pneumonia. He was in very bad health, struggling with authority and his sentence of eight years in a labour camp under "special" regime conditions could prove to be a death sentence.

Mr. Shcharansky said in his closing statement that his dream of emigrating to Israel was now further away than ever. Like most of the would-be Jewish emigrants, he was pessimistic about Soviet society's ability to change. With 11 years of a 13-year prison sentence ahead of him, he may never be able to go to Israel, the country he had adopted as his true home.

## Cobalt and tin prices raised by producers

BY JOHN EDWARDS, COMMODITIES EDITOR

ANOTHER substantial rise in the price of cobalt, a metal of particular importance to the aerospace industry, was announced yesterday.

The Zambian state metals marketing company, Momeco, said it was raising its cobalt price from \$8.50 to \$12.50 a pound with immediate effect.

Depending on exchange rates, this will mean a rise in the UK price of more than £4,000 to about £14,875 a tonne. There was a previous increase in May, after the invasion of Zaire, when the price was raised from £8.250 to £10.650 a tonne.

Sozcom, the Zaire state metals marketing company, which normally provides the bulk of the world's cobalt supplies, said no decision had yet been made on a price increase.

However, it is all but certain that Zaire will follow the lead set by Zambia. Sozcom has completely sold out present supplies at the old price, which are being allocated on a rationing system at 70 per cent of normal orders because of a shortage.

The scarcity of supplies has been aggravated by the recent invasion of the Shaba province in Zaire which badly hit the Kolwezi mines that at full capacity provide 70 per cent of world cobalt supplies as well as being an important source of copper.

Cobalt is a vital ingredient in the super-alloy steels used in the manufacture of jet engines and other creep-resistant metals used by the aerospace industry.

It is also used in the manufacture of permanent magnets, and in the chemical and paint

industries in the form of powder, salts and oxides.

Meanwhile, a rise in the International Tin Agreement "floor" and ceiling price ranges was announced yesterday after talks this week between producing and consuming countries.

The "floor" price is being raised by 150 Malaysian ringgits to 1,350 ringgits a picul (133.3 lb) and the "ceiling" price by 200 ringgits to 1,700 ringgits a picul.

This does not immediately affect the world market price, which fell yesterday on the London Metal Exchange. But it raises the whole tin pricing structure by increasing the minimum levels of prices which are safeguarded by the International Tin Agreement between producing and consuming countries — the oldest commodity pact.

## Labour gains encouragement from by-election victories

BY PHILIP RAWSTORNE

MINISTERS yesterday greeted the by-election results in Manchester, Moss Side and Penistone, as encouraging signs that Labour's electoral recovery is still gaining ground.

Mr. James Callaghan is considered to have a good chance of entering a General Election in October on level terms with the Conservatives.

Another fall in the inflation rate yesterday further boosted Labour morale, and the prospects of victory seemed to be improving.

Although the Tories claimed that the by-elections showed that Labour supporters were still deserting in droves, Ministers found considerable cause for satisfaction.

The 3.5 per cent swing to the Tories in Moss Side was the lowest in any by-election this Parliament. In General Election terms, such a swing would give

Mrs. Margaret Thatcher a bare majority in the Commons.

Labour loyalists in the Manchester inner city area had been severely tested by the party's local government housing record as well as the financial and economic crises of the past few years.

Signs that the immigrant community voted solidly for Labour enhances the party's prospects at a General Election in about 20 city marginal seats.

Mrs. Thatcher responded to this in a speech last night in which she attempted to reassure immigrants about Tory policies. Political opponents had "maliciously distorted" the party's attitude, she declared.

Although the swing to the Conservatives in Penistone was, at 5.8 per cent, apparently less satisfactory from Labour's point of view, Ministers claimed that the slump in their vote was close to the normal pattern of by-

elections in safe seats. Labour supporters were less inclined to vote when victory seemed assured.

Labour's optimism was fuelled in Penistone by the Liberal success in holding on to its 1974 share of the vote, in spite of a higher poll by the Tories.

Mass desertion of Liberal voters to the Tories could give them a decisive edge over Labour in a General Election.

Mr. David Steel, the Liberal leader, said yesterday that even the disappointing Liberal vote in Moss Side was better than the party's rating in recent opinion polls.

Conservatives yesterday drew their comfort from the contrast in the outcome of the two contests.

Lord Thorpe, party chairman, said he had not expected the Tories to win either seat.

By-election results Page 20

## Bonn denounces Moscow trial

BY ADRIAN DICKS

IN APPARENTLY a significant change in West German policy towards Moscow, Chancellor Helmut Schmidt today said he was in "full agreement" with President Jimmy Carter in his forthright denunciation of the heavy prison sentences passed on Anatoly Shcharansky and other Soviet dissidents.

Previous statements by Bonn on human rights in Eastern Europe have generally been far more restrained, leading on occasion

to sharp differences with Washington.

Today's statement by the Chancellor came after a morning of wide-ranging talks with Mr. Carter during which both leaders were said to have reached far-reaching agreement in the most friendly atmosphere.

The U.S. President, in turn, went out of his way this afternoon to praise Helmut Schmidt and to emphasise that as the Bonn summit meeting draws near, "the relationship between the U.S. and the Federal Republic of Germany has never been stronger nor more sound than it is today."

In a statement on Mr. Shcharansky's sentence, Mr. Carter spoke of "the sadness the whole world feels... We are all sobered by the reminder that, so late in the 20th century, a person can be sent to jail simply for asserting his basic human rights."

The German Chancellor also referred to the trials of dissidents in East Germany — the first time he has commented publicly on these in such strong terms — and remarked that many other individuals in Eastern Europe whose cases were unknown suffered from similar accusations and persecutions and sentences.

Both leaders said they were still determined to avoid prejudicing the broad issue of

detente by linking human rights to such questions as the Strategic Arms Limitation Talks.

President Carter said tonight that the Soviet Union must observe human rights as well as restrain military power if it wanted genuine detente with the U.S.

He added that the U.S. wanted a SALT agreement because of the need to preserve peace, and that goal was set regardless of other problems in Soviet-American relations.

## Allegros recalled after M-way crash verdict

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BL CARS is recalling 140,000 Allegros in a swift response to criticism in a Middlesbrough court on Wednesday that it had ignored "horrifying" evidence that cars were coming apart on early models.

In a careful statement, BL, formerly British Leyland, said its decision to call in the cars was not meant to prejudice the possibility of an appeal.

The company had noted the remarks of the judge and was

## Ministry blamed for lost £6m deal

By Kevin Done, Chemicals Correspondent

A BLUNDER by the Foreign Office is said by a UK process plant contractor to have lost it the chance of winning a £5.5m construction contract in Egypt for which it was the lowest bidder.

Sim-Chem, the Stockport-based contractor, delivered its bid document to the Foreign Office for dispatch to Cairo via the diplomatic bag — a practice used occasionally by companies for the rapid delivery of vital documents.

Sim-Chem said yesterday that the bid was left out of the diplomatic bag because it was full but the Foreign Office failed to tell the company at once of the delay. By the time it learned of the hold-up, it was too late to try to bid to Cairo to meet the deadline.

The Foreign Office would not comment on the allegation yesterday. However, if it is proved, it could have serious repercussions because the carrying of any documents via the diplomatic bag other than those for diplomatic use is in breach of the Vienna Convention on diplomatic relations, signed in 1961.

The convention states in article 24 that the diplomatic bag "may contain only diplomatic documents or articles intended for official use."

The British Embassy in Cairo apparently tried to rectify the Foreign Office error through diplomatic channels. But rival bidders insisted on the normal practice of late bids being disqualified from consideration.

The contract, for the construction of two 100,000-tonne-a-year sulphuric acid plants, has been awarded to Davy Powergas, the West German subsidiary of Davy International.

The successful Davy bid was valued at DM 25m (£8.5m) for completion of the plants by late 1980.

As some consolation Sim-Chem has signed a £2m contract to build a 300,000-tonne-a-year sulphuric acid plant for Saudi Arabia. Sim-Chem has won the main contract for the plant to be built at Dammam. It will engage a Korean company as the main sub-contractor for erection and procurement of local materials.

## Continental blend for Rothmans

The news that the balance of payments had swung back into surplus in June, and the year on year inflation figure of 7.4 per cent was the lowest for over five years, was enough to lift a flagging stock market late yesterday afternoon, with the result that equities have had their best week since early May.

Index rose 0.8 to 474.4

to diversify away from tobacco. But these uncertainties are well reflected in the share price of 56p, where the fully taxed p/e is only 4.2.

Rothmans

After Thursday's dull figures from Imps, the giant of the British tobacco market, Rothmans International provided some sparkle yesterday reporting full-year pre-tax profits £14m higher at £80.6m. Following a 30 per cent improvement in the first half the group has recorded an increase in profits of 14 per cent for the second six months, on top of an exceptional corresponding period.

The key to the performance appears to be a big volume gain, backed up by price increases in some markets. Outstanding improvements are said to have come from Germany (where Rothmans has arrested the decline in its market share at around 18 per cent), Holland and UK exports. In the UK market itself, Rothmans appears to be battling strongly through the current price war and talks of having doubled its market share (to 14 per cent) in the past two years.

Attention still focuses on the proposed acquisition of the controlling interest in Rothmans of Pall Mall Canada (RPMC), a business, like Rothmans International, which is controlled by Dr. Anton Rupert. Negotiations are apparently still incomplete but the hope is that details of the bid can be released in early August in time to have the deal sanctioned by shareholders on the same day as the annual meeting, scheduled for September 19.

While the RPMC deal may have a lot to do with Dr. Rupert's own vision of a changing world, it also suggests that Rothmans International may have abandoned its stated aim

Gestetner

Only a month before the end of its first half Gestetner was saying that "trading continues to be satisfactory," so the stock market was not prepared for a 10 per cent fall in pre-tax profits to £13.6m and the "A" shares slumped 25p to 178p.

The performance is all the more disappointing in that last year the group was able to push its profits £21m higher, despite the absence of any growth in turnover and a strong appreciation in sterling which deflated profits by another £3.9m. This time round, turnover rose by 6 per cent and sterling fell by 3 per cent, on a trade-weighted basis, between May and November — but Gestetner's profit growth went into reverse. The only consolation is that on a current cost basis trading profits increased by 1 per cent, because the reduction in inflation led to a one-third fall in the cost of sales adjustment.

Gestetner, which is the world's largest manufacturer of stencil duplicating equipment, and supplies, has often been complimented on its forward-looking accountancy policies but it is more reticent about discussing its basic business. For what it is worth, the official explanation seems to be that last year's appreciation in sterling is only now depressing profits. The company is not expecting much improvement in the second half, which means that full year profits could be in the region of £27m, down £1m or so, but next year should be better.

However, against the present background of sluggish world trade and fierce competition in

certain markets (like staple copiers) investor further reassurance the setback is only a hiccup, current price the share 3.6 per cent which could rise to just over 8 p/e if dividend restraint is abolished.

Hambros

Anyone reading the H accounts could be forgiven thinking that its Norwegian shipping loans represent a little local difficulty closed profits of the H companies have, it is true by more than half to £1.4 shareholders' funds are a tenth higher at the net assets of the H share appear to have been maintained and the dividend gone up by the statutory 10 per cent.

Just about the only something has gone badly in 1978, a fall to £36m from £38m of the group's outstanding loan, partly reflects currency and a contraction in the shipping loan book, material part of the drop result of writing down which are subject to gain by the Norwegian Gas Institute.

What makes this presentation possible is freedom given to banknotes, to make units transfers to and from the bank — unconstrained re-£2m transfer to the station fund. In addition group has been cushioned by assumption that the tax burden and by some hat, dealing profits. Its dealing folio included £23m of the start of the year — at the end.

A more detailed statement of the Norwegian position forthcoming when negotiations are concluded, possibly in four or five weeks' time. But this is unlikely to include anything so vulgar as num-

# 12.6% P.A. PAID QUARTERLY

FIXED PRICE OFFER

The new Schlesinger Preference & Gilt Trust is invested entirely in fixed interest securities which offer the benefit of a high predictable income and are likely to have less risk and be less volatile than equities.

## High income-low volatility

By investing only in preference shares and British Government Securities (Gilts), the managers are able to obtain higher levels of income than could be expected from a managed portfolio of equities. Whilst equities would provide greater opportunities for growth than fixed interest stocks, the latter are likely to be less volatile. The proportion in preference shares and Gilts will be varied at the managers' discretion.

Schlesingers also expect a useful degree of capital appreciation from this trust, over the medium to long-term.

Because dealing costs are lower for fixed interest investments, and the initial charge on this fund is only 3 1/2%, the dealing spread is attractively low.

## Investment in Gilts

Under current legislation, most interest received in an authorised unit trust from gilt-edged securities is subject to corporation tax which is disadvantageous to unitholders when compared with direct investment in such securities.

For this reason currently some 85% of the fund is invested in preference shares, and 15% in Gilts at which level Schlesingers estimate any disadvantage will be minimal. Should the legislation be changed, the fund will be invested entirely in Gilts (see General Information). Your investment should be regarded as long-term.

Remember that the price of units and the income from them may go down as well as up.

## Schlesingers' PIMS-service

Investors of £2,500 or more will receive the Schlesinger Personal Investment Management Service (PIMS) which includes regular investment reports and invitations to meet the investment managers.

## Schlesingers-specialists in the management of private institutional and pension funds

To: Schlesinger Trust Managers Ltd., 140 South Street, Dorking, Surrey.  
Weekend and Evening Telephone: Dorking (0306) 36441

I wish to invest (minimum £200)

in the Schlesinger Preference and Gilt Trust at the fixed price of 24.0p xd.

I wish to have my dividends re-invested

I would like further information, including details of Share Exchange scheme

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

## Schlesinger Preference &amp; Gilt Trust

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## Weather

DRY, cloudy, sunny intervals.  
Cent. S.W. England, Channel Isles, S. Wales  
Dry, sunny. Max. 22C (72F).  
E. Anglian, E. N.E. England, N. Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland, W. Scotland, sunny intervals.  
Max. 18C (64F).  
Cent. Highlands, N.E. N.W. Scotland, Orkney, Shetland Cloudy, hill fog, rain. Max. 12C (54F).  
London, Midlands, Cent. N. S.E. England  
Dry, sunny. Max. 20C (68F).  
Generally warmer weather is expected during the next 30 days.

## BUSINESS CENTRES

City	Day	Temp	Day	Temp
Amsterdam	C	15	15	68
Berlin	C	15	15	68
Brussels	C	15	15	68
Copenhagen	C	15	15	68
Dublin	C	15	15	68
Frankfurt	C	15	15	68
Geneva	C	15	15	68
Glasgow	C	15	15	68
Helsinki	C	15	15	68
London	C	15	15	68
Madrid	C	15	15	68
Moscow	C	15	15	68
Paris	C	15	15	68
Rome	C	15	15	68
Stockholm	C	15	15	68
Switzerland	C	15	15	68
Toronto	C	15	15	68
Warsaw	C	15	15	68
Zurich	C	15	15	68

## HOLIDAY RESORTS

City	Day	Temp	Day	Temp
Algeria	S	22	22	72
Amman	S	22	22	72
Barcelona	S	22	22	72
Bombay	S	22	22	72
Buenos Aires	S	22	22	72
Cairo	S	22	22	72
Canton	S	22	22	72
Cebu	S	22	22	72
Colon	S	22	22	72
Hankow	S	22	22	72
Hong Kong	S	22	22	72
Kobe	S	22	22	72
London	S	22	22	72
Lyons	S	22	22	72
Manila	S	22	22	72
Medan	S	22	22	72
Montevideo	S	22	22	72
Osaka	S	22	22	72
Paris	S	22	22	72
Rangoon	S	22	22	72
San Francisco	S	22	22	72
Singapore	S	22	22	72
Sourabaya	S	22	22	72
Tientsin	S	22	22	72
Yokohama	S	22	22	72

## Sir Hugh Fraser fined £600 over share dealings and loan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SIR HUGH FRASER, the financier and stores chief, was fined a total of £600 yesterday for charges connected with share dealings and a £42m loan.

He denied a charge under the Companies Act, 1948, over misclassification of a loan in 1975 in the accounts of Scottish and Universal Investments (SUITs), but was fined £100.

He was fined £500 on separate charges, which he admitted, of failing to notify the company of 60 of his dealings in its shares within the required two-week period.

The case was heard at Glasgow Sheriff Court during May and adjourned for verdicts.

At the time of the misclassification, Sir Hugh was SUITs' chairman and managing director. He became deputy chairman after selling his shares to Lombard, but remains a director. He declined to comment after the hearing.

Two other former directors of SUITs, Mr. William Forgie, who was an assistant managing director, and Mr. Angus Grossart, managing director of the mer-

chant bank, Noble Grossart, were also found guilty with Sir Hugh yesterday of failing to give a true and fair picture of the company. They were each fined £75.

Mr. Forgie was also fined £35 for failing to notify two share transactions, but Mr. Grossart was acquitted of a similar charge.

Two non-executive directors, Mr. Edward Gamble and Mr. Nicholas Redmayne, were cleared of the loan charge, although Mr. Redmayne was fined £100 for failing to notify 12 share deals, and another assistant managing director, Mr. James Gossman, had the charge against him found not proven.

The main charge in the case concerned a loan by SUITs to AmCal, a property company in which it had an indirect interest.

In the re-development of the Army and Navy Stores site in Victoria Street, London.

In his 50-page judgment, Sheriff J. Irvine Smith criticised the loan, which he said, could never reasonably have been advanced as a sound investment. AmCal had been a bad debtor. "It paid not one penny of

interest and when inquiries were made by the SUITs' secretary, seeking their money, a picture, by no means unfamiliar in such situations, emerged — a picture of unobtainable documents, unobtainable company returns, unobtainable, elusive, or as it turned out, irresponsibly optimistic officials.

He declared himself dissatisfied with certain explanations advanced for the loan being made.

SUITs had lost the loan twice, the Sheriff added. It was lost in fact and lost in the SUITs balance sheet, where it was included in the notes with "cash at bankers or on hand."